



**2010**

**MID-WEST ELECTRIC  
CONSUMERS  
ASSOCIATION**

**RESOLUTIONS**



## **MID-WEST ELECTRIC CONSUMERS ASSOCIATION RESOLUTIONS**

### FOREWORD

Mid-West Electric Consumers Association (Mid-West) was founded to preserve and strengthen rural electric cooperatives, municipal electric systems, public power districts, and the communities they serve. Mid-West's primary mission has always been to support the consumer-owned electric systems serving rural areas and communities in the Missouri River Basin, and to collaborate with like-minded organizations focusing on other river basins, and to support federal hydroelectric and water development programs throughout the nation that serve the public interest. Mid-West unquestionably works to preserve and to optimize cost-based development of the waterpower and other energy resources of the Great Plains, for the benefit of the people of this region and of the nation. Our members are responsible for, and committed to, safe, reliable and economical utility service.

Mid-West prides itself in being democratically governed, ultimately by Mid-West members, and by the communities and individual consumers of rural America. Our members believe that the primary strength of a nation is in its people. Mid-West thus establishes its policies through democratic processes, discussing potential resolution and then proposing them to its members for adoption. Given the commitment of the Association and its members to an activist and pluralistic democracy, it is hardly surprising that Mid-West's policies extend well beyond what would seem to be its members' parochial interests. Mid-West and its people take positions and make recommendations to appropriate officials and elective bodies on a wide range of national and state issues.

Mid-West and its members, for instance, have always taken strong stances to protect the nation's environment and to preserve our vital national resources. These positions—a commitment to wise use and preservation of water, a belief in the peoples' ownership of the peoples' resources, in favor of clean air, a willingness to spend the time and money to reclaim mined lands—are not really all that surprising. It has long been recognized that family farmers and ranchers are the best guardians of the land on which they live and work.

Mid-West, similarly, believes strongly in fair and equal opportunities for all of the families and citizens in our region. We are concerned that so many young families are deciding to leave the High Plains region. We are strongly committed to an independent and family-based business, the best anchor for rural America's way of life. We are committed to a fair and stable financial return to farmers and ranchers for the production arising from their labors. We also work to preserve and to foster small and local businesses, with profound respect for decent wages and working conditions for the laborer. The prosperity of farmers, small business owners, and other workers is tied to fair and balanced federal and state tax structures. Mid-West is also committed to institutions and opportunities free of prejudice, open to the advancement of all individuals, and dedicated to the human values that bind a democratic society and make it strong.

Another important part of Mid-West's commitment to public and consumer-owned electric systems and to rural America is Mid-West's commitment to women, to young people, and to the crucial roles they play at the local, state, regional and national levels. Mid-West's activities and functions provide a forum for women to participate in advancing the principles of public power. Mid-West similarly seeks advice and representation from a new generation of rural advocates. Mid-West encourages its members to promote full participation by women, and by younger citizens, in their activities and programs.

Finally, Mid-West is strongly bound to the time-honored congressional mandate that public and consumer-owned systems have first call upon federally generated hydroelectric power. That commitment alerts us to the attempted exploitation of our country's natural resources by special interest groups. This is an issue on which we all, unquestionably, agree. These resources belong to our citizens and should be used by our citizens through their consumer-owned systems, at cost and without profit, and using traditional repayment terms. It is upon these basic principles and with these objectives that Mid-West adopts and publishes these resolutions.



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# **I. ENERGY POLICY RESOLUTIONS**





1 **B. EFFICIENT RESOURCE USE**

2  
3 WHEREAS, electric power supply provided by the members of Mid-West Electric  
4 Consumers Association (Mid-West) is primarily generated from abundant domestic coal resources  
5 and renewable hydroelectric sources; and  
6

7 WHEREAS, Mid-West members have made a significant investment in the control of  
8 emissions from coal-fired power supply resources; and  
9

10 WHEREAS, Mid-West members strongly promote and encourage optimal resource use  
11 through application of high efficiency energy conversion devices such as ground source heat pumps;  
12 and  
13

14 WHEREAS, there are a steadily increasing number of activities, which can be performed  
15 more efficiently and with fewer combustion emissions via the use of electro-technology; and  
16

17 WHEREAS, the use of domestic and renewable energy resources make a significant  
18 contribution in preserving oil for more suitable applications such as fertilizer and plastic production;  
19

20 NOW, THEREFORE, BE IT RESOLVED, that Mid-West supports renewed research and  
21 development of products and techniques designed to improve the efficiency and use of electric  
22 applications as a means to preserve oil resources for more essential needs; and  
23

24 BE IT FURTHER RESOLVED, that Mid-West encourages information programs, which are  
25 designed to provide the public a clear understanding of the benefits of using high efficiency, electric  
26 devices designed to use domestically produced and controlled coal and hydroelectric resources more  
27 efficiently.  
28

1                                   **C. FEDERAL POWER MARKETING ADMINISTRATIONS**  
2

3                   WHEREAS, energy generated at federal hydroelectric facilities of the Pick-Sloan Missouri  
4 Basin Program (Pick-Sloan) is essential to thousands of municipal and rural consumers, including  
5 farms, businesses, and industries within the nine states of the Mid-West Electric Consumers  
6 Association (Mid-West); and  
7

8                   WHEREAS, the federal investment in these hydropower facilities is being systematically  
9 repaid, on schedule, to the United States Treasury by these federal preference power customers; and  
10

11                   WHEREAS, Pick-Sloan power revenues also pay for power system operation and  
12 maintenance costs, and contribute to the repayment of the Federal investment in Congressionally  
13 authorized projects including; irrigation development, rural water supply, recreation, and other  
14 multi-purposes; and  
15

16                   WHEREAS, substantial investments have been made by preference customers in partnership  
17 with the federal government to develop the region's integrated transmission system, thereby  
18 optimizing benefits to preference customers and the federal government; and  
19

20                   WHEREAS, members of Mid-West hold direct power supply contracts for a substantial  
21 portion of the Pick-Sloan power supply resources; and  
22

23                   WHEREAS, the sale, transfer or other disposal of the federal power marketing  
24 administrations or the federal power plants and related facilities would:  
25

- 26                   a.       Threaten consumer-owned utilities with uncertainty of supply and significantly  
27                           higher power rates; and
- 28                   b.       Undermine the ability of consumer-owned utilities to provide reliable electric  
29                           service at competitive rates and thereby increase monopoly in the electric utility  
30                           industry; and
- 31                   c.       Abandon existing repayment agreements between the United States and federal  
32                           power users;  
33  
34  
35

36                   NOW, THEREFORE, BE IT RESOLVED, that Mid-West vigorously opposes the sale of the  
37 federal power marketing administrations; or divestiture of their power and transmission facilities;  
38 and  
39

40                   BE IT FURTHER RESOLVED, that Mid-West will, under all circumstances, work to  
41 improve the efficiency of federal power operations, protect the contractual federal power supply  
42 rights of its members, and resist any unjustifiable increases in electric rates to the ultimate  
43 consumers.

1  
2  
3 **D. FEDERAL POWER REGULATION**

4 WHEREAS, the Federal Power Commission existed as an independent federal agency prior  
5 to the creation of the U. S. Department of Energy and was incorporated into the Department of  
6 Energy as an independent agency entitled the Federal Energy Regulatory Commission (FERC); and

7 WHEREAS, Mid-West opposes full FERC oversight for municipal electrics, public power  
8 districts, rural electric cooperatives, and the federal power marketing agencies and supports the  
9 provision in the Energy Policy Act of 2005 that exempts "small utilities," defined as those selling  
10 less than 4 million megawatt-hours annually; and

11  
12 WHEREAS, a region-wide average rate (commonly called a "postage stamp" rate) has one  
13 single rate for the bulk interstate transmission grid, such a pricing policy within a Regional  
14 Transmission Organization (RTO), under which everyone participates equally in paying the cost of  
15 bulk interstate transmission infrastructure, would encourage construction of regional bulk  
16 transmission facilities and enable competitive regional electricity markets;

17  
18 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
19 (Mid-West) supports the following principles and urges the FERC to utilize them in their regulatory  
20 actions:

- 21  
22 a. Purchasers of electric energy should be protected from market power abuse in  
23 order to assure the ultimate consumer fair and reasonable prices.  
24  
25 b. Inclusion of Construction Work In Progress in wholesale power and  
26 transmission rates should be prohibited.  
27  
28 c. Any wholesale power or transmission rate increase filing which results in "pan  
29 caking" of rates should be prohibited.  
30  
31 d. Regional Transmission Organizations (RTO) should be required to apply single  
32 non-pan caked "postage stamp" rates, for all participants. Universally applied  
33 "postage stamp" rates must also be used when necessary additions within the RTO  
34 are made so that participants equitably share both the burden and benefits of such  
35 additions.  
36  
37 e. Discriminatory rate increases, which place wholesale customers in a "price  
38 squeeze" situation, whereby high wholesale rates may prevent them from  
39 competing at retail with other wholesale suppliers, should be rejected.  
40  
41 f. Jurisdiction over wholesale power and transmission sales and rates should not be  
42 transferred to the various state utility commissions.  
43  
44 g. The development of Exempt Wholesale Generation, as provided under The  
45 National Energy Policy Act of 1992, should be closely monitored to insure that  
46 there are no abuses as protected under the original Public Utility Holding  
47 Company Act.  
48  
49 h. As suggested by American Public Power Association (APPA), National Rural  
50 Electric Cooperatives Association (NRECA), and others in a filing before FERC,  
51 expanded use of alternative dispute resolutions techniques should be encouraged  
52 by FERC.  
53

1  
2

- i. As suggested by APPA and NRECA, FERC should utilize a much more rigorous criterion in reviewing and approving Investor Owned Utilities merger applications.

1 **E. FEDERAL TRANSMISSION INVESTMENTS**

2  
3 WHEREAS, upgrades and additions to the Western Area Power Administration (WAPA)  
4 transmission system must be routinely considered to: 1) ensure adequate power delivery capability;  
5 2) ensure maintenance of system reliability at an adequate level; and 3) aid in the utilization of the  
6 optimum energy sources as a part of a responsible national energy policy; and  
7

8 WHEREAS, thorough and timely joint system planning with preference customers is a very  
9 important preliminary to the addition to any transmission facility; and  
10

11 WHEREAS, the Congress of the United States has provided funding for transmission  
12 facilities in the past, and preference customers repay with interest funding provided for such  
13 facilities; and  
14

15 WHEREAS, the Energy Policy Act of 2005 expanded the ability of WAPA to finance a project  
16 by allowing the Secretary to accept and use funds contributed by another entity for the purpose of  
17 carrying out a Project.  
18

19 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
20 (Mid-West) urges the federal government to continue to provide adequate funding to support, timely  
21 joint planning studies, adequate staffing levels and construction of needed WAPA transmission  
22 facilities; and  
23

24 BE IT FURTHER RESOLVED, that Mid-West encourages Congress to continue to look for  
25 ways to expand WAPA’s ability to finance projects which will increase the construction of  
26 transmission facilities which are needed to provide for the contracted requirements of preference  
27 customers; and  
28

29 BE IT FURTHER RESOLVED, that Mid-West calls on Congress and the administration to  
30 ensure any federal transmission incentives would require a needs study prior to federal funds being  
31 used to build transmission; and  
32

33 BE IT FURTHER RESOLVED, that Mid-West supports the development of transmission by  
34 WAPA that is developed in such a way that the beneficiaries of the transmission bear 100% of the  
35 transmission cost.  
36



1                   **G. ENVIRONMENTAL EXTERNALITY COSTS TO ENERGY**  
2

3                   WHEREAS, environmental, regulatory, alternative energy, and other groups are promoting  
4 the development of a concept, which would assign "environmental externality costs to energy" either  
5 in the context of integrated resource planning or, in a deregulated utility environment, in accounting  
6 for stranded costs (benefits); and  
7

8                   WHEREAS, these environmental externality costs would be assessed against fossil fuel-fired  
9 generating capacity either, in the context of plant operations or in the dispatch of electricity  
10 generated by such power plants even if the plant meets all applicable state and federal requirements  
11 for environmental compliance; and  
12

13                  WHEREAS, such efforts to account for perceived environmental externalities could lead to  
14 inefficient use of the nation's existing electrical generating resources as well as substantial  
15 disruption of the nation's energy infrastructure;  
16

17                  NOW, THEREFORE, BE IT RESOLVED, that Midwest-Electric Consumers Association opposes  
18 application of assigning environmental externality costs to energy as adoption of this concept would  
19 penalize clean, existing coal-fired generating resources at considerable consumer cost.

## H. TRANSMISSION COOPERATION

1  
2  
3 WHEREAS, the regional high voltage bulk transmission facilities, comprising the Integrated  
4 System (IS), are individually owned and maintained, and jointly planned and administered by the  
5 Western Area Power Administration (WAPA) and consumer-owned electric utilities; and  
6

7 WHEREAS, the IS is the path for the delivery of hydroelectric, other renewables, and  
8 thermal power to preference customers of WAPA and is also essential for the power delivery of IS  
9 participants to their consumer loads; and  
10

11 WHEREAS, the continued joint planning for, and reliable operation of the IS is absolutely  
12 essential to providing low cost power to the consumer-owned electric utilities; and  
13

14 WHEREAS, the National Energy Policy Act (EPACT) of 1992 and subsequent actions by the  
15 Federal Energy Regulatory Commission (FERC) have significantly changed the electric utility  
16 industry in a variety of ways, including the opening of access to any transmission system for  
17 wholesale power and energy transactions;  
18

19 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
20 (Mid-West) supports WAPA's continued maintenance of equitable policies for the administration,  
21 joint planning, expansion and use of the IS; and  
22

23 BE IT FURTHER RESOLVED, that all requests to WAPA for interconnections to the IS and  
24 any long term, firm or non-firm transfer schedules across the IS be studied and evaluated by WAPA  
25 and the affected IS participants, and that such studies evaluate the needs of the IS participants for at  
26 least 10 years; and  
27

28 BE IT FURTHER RESOLVED, when the use of the IS by a non-IS participant is requested,  
29 that system reliability, system load characteristics and IS participants' transmission service  
30 requirements (current and future) be considered before any commitments are made; and  
31

32 BE IT FURTHER RESOLVED, that Mid-West provides its full support to the IS owners and  
33 their efforts to ensure any appropriate wheeling compensation by utilities outside of the IS and  
34 which utilize facilities of the IS be paid to the IS owners; and  
35

36 BE IT FURTHER RESOLVED, that appropriate open access transmission charges including  
37 ancillary services associated with providing capacity on the system to a non-IS participant be  
38 included in the charge for the non-ownership use of the IS; and  
39

40 BE IT FURTHER RESOLVED, that the open access transmission charge gives no ownership  
41 rights to the non-IS participant; and  
42

43 BE IT FURTHER RESOLVED, that Mid-West supports distribution of any revenues derived from  
44 open access transmission schedules on the IS member facilities caused by non-IS participants to the owners  
45 of the IS.

## I. PMA/RTO AFFILIATION PRINCIPLES

WHEREAS, Section 1232 of the Energy Policy Act of 2005 (Public Law 109-58) gives federal power marketing agencies, like the Western Area Power Administration (WAPA) the authority to participate in Regional Transmission Organizations (RTOs) or similar transmission organizations; and

WHEREAS, this section also requires any contract or agreement entered into with an RTO by a federal power marketing agency to include specific protections to ensure:

- a. the federal utility is able to recover its costs and expenses related to the transmission facilities subject to the contract or agreement;
- b. the contract or agreement is consistent with existing contracts and third-party financing as well as with the statutory authorities, obligations, and limitations of the federal utility;
- c. monitoring and oversight by the federal utility over the RTO's terms and conditions of the agreement, including the ability to resolve disputes through arbitration;
- d. the federal power marketing agency is able to withdraw from the RTO and terminate the contract or agreement in accordance with the terms of the contract or agreement; and

WHEREAS, entering into such a contract or agreement with an RTO, or any transactions taken under that contract or agreement, would not subject the federal utility or any of its electric generation assets, electric capacity, energy, or power sale activities to the jurisdiction or the authority of the Federal Energy Regulatory Commission;

NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association (Mid-West) generally supports WAPA affiliation with the appropriate RTOs or similar transmissions organizations, provided the following fundamentals are met:

- a. **Business Case:** a thorough business case is developed which documents the appropriate parameters and determinations and which receives adequate customer support;
- b. **Cost Shifting:** WAPA does not incur significant added costs in the short or long term, which will lead to increased rates to preference customers;
- c. **Reliability:** The long-term reliability of service to preference customers is preserved;
- d. **Transmission Access:** The long-term availability of WAPA's preference customers to receive their total power supply (federal and supplemental) is un-compromised;
- e. **Uniform Pricing:** WAPA's pricing for delivery of federal power within its established marketing area along with deliveries of supplemental power to preference customers remains uniform;
- f. **Integrated Cost Recovery:** WAPA honors and holds harmless the costs of transmission facility investments made by preference customers which have enabled the delivery of both federal and supplemental power supply to preference customers; and
- g. **Marketing Area:** The current customers don't experience reductions in allocations from a potential expanded marketing area; and

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BE IT FURTHER RESOLVED, that WAPA should apply the same tariff and pricing to all investor-owned utilities which use Pick-Sloan transmission facilities which apply to federal and preference supplemental power supplier transmission use and also ensure all other third party users pay full costs for use of Pick-Sloan transmission facilities; and

BE IT FURTHER RESOLVED, that Mid-West opposes any efforts by WAPA to impose transmission charges on 'behind the meter' generation designed solely for 'on site' use by the customer and not used for resale and which does not use WAPA transmission unless WAPA can convincingly demonstrate the reliability and system operation benefits of such an action and further can define the method by which it will uniformly apply such a policy to all end users of all utilities (preference customers and others) which are receiving transmission services through facilities to which WAPA proposes to apply such a policy.

1                   **J. HYDROELECTRICITY—A RENEWABLE RESOURCE**  
2

3                   WHEREAS, hydroelectric power facilities have for decades provided economic, reliable, and  
4 environmentally-friendly, renewable energy resources for many consumers throughout the country  
5 and defining renewable resources becomes crucial to electric utilities as the federal government and  
6 others look at mandated resource portfolio standards; and  
7

8                   WHEREAS, hydroelectricity is being rejected as a classifiable renewable resource by some  
9 federal agencies and other groups for political reasons even though a definition of renewable energy  
10 is: a perpetual, naturally occurring form of energy that can be successfully harnessed to produce  
11 electric power, without the creation of waste, greenhouse gas emissions, or byproducts, and clearly,  
12 electricity generated by the force of falling water meets this definition;  
13

14                  NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
15 urges Congress, the Administration and States to take action to classify hydroelectric power from  
16 projects both large and small, existing and future as a renewable resource and that hydroelectric  
17 power be treated equal to other forms of renewable energy such as that produced from wind and  
18 solar if mandated renewable portfolio standards are adopted.

## **K. SUPPORT FOR RENEWABLES**

1  
2  
3       WHEREAS, the members of Mid-West Electric Consumers Association (Mid-West) have a  
4 power supply mix of hydro electric, other renewables, and thermal power generated electricity; and  
5

6       WHEREAS, the members of Mid-West are committed to researching new options to meet  
7 consumer needs while remaining cost based and affordable in pricing of electricity; and  
8

9       WHEREAS, we believe a segment of Mid-West consumer owners are interested in having  
10 access to additional wind generated electricity; and  
11

12       WHEREAS, Mid-West recognizes that the Midwest region has wind available and  
13 opportunity for economic development; and  
14

15       WHEREAS, some wind developers have proposed using federal hydropower to firm wind  
16 generation; and  
17

18       WHEREAS, Pick-Sloan Missouri Basin Program federal power is under long term contracts  
19 to the consumer-owned electric utilities in the region, as well as Native American tribes and some  
20 federal and state agencies in the region;  
21

22       NOW, THEREFORE, BE IT RESOLVED, that Mid-West supports voluntary programs for  
23 wind generation and other renewables as part of the power supply mix; and  
24

25       BE IT FURTHER RESOLVED, that Mid-West supports the development of economically  
26 feasible renewable energy sources that can be competitively integrated into the existing power  
27 supply system; and  
28

29       BE IT FURTHER RESOLVED, that Mid-West supports wind generation and other  
30 renewables provided such developments do not compromise the transmission grids system  
31 performance, reliability, or costs and similarly do not compromise the value of the Missouri River  
32 Pick-Sloan Program, hydroelectric resources; and  
33

34       BE IT FURTHER RESOLVED, that although Mid-West does not support the use of already  
35 contracted federal hydropower resources to provide firming power for wind energy projects, Mid-  
36 West is willing, however, to consider studies to explore how wind power might be integrated into  
37 the regional power supply, so long as the costs of those studies are not borne by Pick-Sloan Missouri  
38 Basin Program federal power customers.

1 **L. NET METERING**

2  
3 WHEREAS, the Mid-West Electric Consumers Association (Mid-West) supports its  
4 members who pay the “avoided cost” for energy received from non-utility sources; and

5  
6 WHEREAS, net metering generally requires utilities to pay retail rates for electricity  
7 produced for sale at wholesale rates by non-utilities to utilities; and

8  
9 WHEREAS, the payment of more than the utilities avoided costs for this energy  
10 represents an unfair subsidy of some electric consumers by other electric consumers; and

11  
12 WHEREAS, the availability of net metering is a local option and decision which should be  
13 made in the cooperative or municipal board room; and

14  
15 WHEREAS, net metering requires the interconnection of generation systems resulting in  
16 safety concerns;

17  
18 NOW, THEREFORE BE IT RESOLVED, that Mid-West opposes government-mandated net  
19 metering that result in subsidization and cost shifting between customers.  
20

1                   **M. EXPANDING DOMESTIC PETROLEUM PRODUCTION AND**  
2   **REFINING CAPACITY**

3  
4                   WHEREAS, the United States is highly dependent upon refined petroleum products for  
5 transportation, manufacturing, agriculture and other uses; and

6  
7                   WHEREAS, the U.S. needs to increase its domestic petroleum production and refining  
8 capacity; and

9  
10                  WHEREAS, there has not been a major refinery built in the U.S. in more than 25 years; and

11  
12                  WHEREAS, the cost of this country's imported crude oil has been as high as \$147 per barrel  
13 and remains volatile -- with much of it coming from troubled portions of the globe;

14  
15                  NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
16 supports federal policies and efforts that facilitate the expeditious development of new biodiesel,  
17 ethanol and petroleum production together with associated refining capacity in the U.S. promoting  
18 adequate supplies, economic growth and national security.  
19

1           **N. POST 2020/2024 PREFERENCE CUSTOMER POWER CONTRACTS**  
2                           **WITH THE WESTERN AREA POWER ADMINISTRATION**

3  
4           WHEREAS, the current Pick-Sloan Missouri River Basin Program preference customer power  
5 contracts with the Western Area Power Administration run through 2020 for Eastern Division customers  
6 and 2024 for Western Division customers; and  
7

8           WHEREAS, Western hydropower is an important part of preference customers' power supply, and  
9 for planning purposes, Pick-Sloan customers need to know the terms and conditions of new contracts at  
10 least three (3) years in advance; and  
11

12           WHEREAS, the last time new contracts were issued, the process took six years; and  
13

14           WHEREAS, the members of Mid-West Electric Consumers Association believe there may be  
15 significant challenges to overcome during the process: and  
16

17           WHEREAS, having developed the Energy Planning and Management Program (EPAMP) as the  
18 framework for the last firm power contract process, Mid-West would support a categorical exclusion under  
19 the National Environmental Policy Act (NEPA) for this process; and  
20

21           WHEREAS, the Pick-Sloan Customers have provided extensive support to the Pick-Sloan power  
22 program by providing advance funding of capital requirements; and  
23

24           WHEREAS, the members of Mid-West Electric Consumers Association would like Western to  
25 maintain marketing principles and contractual arrangements with the Pick-Sloan customers that are  
26 substantially similar to those currently in place, including but not limited to:  
27

- 28           a. Maintain the current requirements for preference customer eligibility; and
- 29           b. A minimum 30 year contract term; and
- 30           c. Maintain current marketing areas; and
- 31           d. Any provisions for new preference customers would be handled through a one-time  
32 withdrawal provision; and
- 33           e. Eastern Division and Western Division will be offered products similar to those they receive  
34 today under separate rate structures; and
- 35           f. Maintain cost based rates;
- 36
- 37
- 38
- 39
- 40
- 41

42           NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
43 believes that the Western Area Power Administration should initiate the process for offering new  
44 preference customer power contracts for the Eastern Division customers by no later than mid-year of 2010  
45 with a goal of completion no later than 2017 and initiate the process for the Western Division customers by  
46 2014 with a goal of completion no later than 2021.  
47

## **II. AGRICULTURE POLICY RESOLUTIONS**



1 **A. CAPPER—VOLSTEAD ACT**

2  
3 WHEREAS, the Capper-Volstead Act is the major enabling legislation for farmer  
4 cooperatives, allowing farmers and ranchers to form cooperative organizations for marketing their  
5 products; and

6  
7 WHEREAS, any change in the law which would restrict the ability of farmers and ranchers  
8 to join together to market their products and receive a fair and reasonable return on their investment  
9 which would have a disastrous effect on American agriculture;

10  
11 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
12 opposes any change in the Capper-Volstead Act, which would restrict the ability of farmers and  
13 ranchers to join together to market their products and receive a fair and reasonable return on their  
14 investment.

1           **B. MAINTAINING A VIABLE US FARM AND RANCH ECONOMY**

2  
3           WHEREAS, Mid-West Electric Consumers Association (Mid-West) believes a strong farm and  
4 ranch economy is important to this country and its members are beneficiaries of this economy and future  
5 success; and  
6

7           WHEREAS, the operating margins involved are usually so narrow that economic survival is at  
8 times insurmountable; and an additional negative impact could have disastrous results on many family farm  
9 and ranch operations and local communities; and  
10

11           WHEREAS, in the Mid-West service area the use of Federal lands plays a significant role in the  
12 agricultural base such that significant land use reforms could further imperil the economy; and  
13

14           WHEREAS, the members of Mid-West are vital suppliers to and supporters of rural America's  
15 primary industries;  
16

17           NOW, THEREFORE, BE IT RESOLVED; Mid-West urges Congress, the Department of the  
18 Interior and the Department of Agriculture to help ensure that current level of federal lands for  
19 economically beneficial purposes are not diminished and that unreasonable fee increases and regulations  
20 are not adopted; and  
21

22           BE IT FURTHER RESOLVED, that Mid-West encourages initiatives to improve farm and ranch  
23 net income through the following:  
24

- 25           a.     Conservation measures;
- 26           b.     Create incentives for farmers and ranchers to invest in value added operations;
- 27           c.     Increase funding for plant and animal research;
- 28           d.     Provide resources to farmers and ranchers suffering from crop failures due to  
29                 natural disasters including drought; and  
30  
31  
32

33  
34           BE IT FURTHER RESOLVED; Mid-West encourages Congress and the Administration to pursue  
35 initiatives that provide a level and fair playing field to export markets around the globe.

1 **C. RURAL DEVELOPMENT**

2  
3 WHEREAS, a strong and healthy rural economy is vital to the economic and social stability  
4 of this country; and

5  
6 WHEREAS, the United States needs to put more emphasis on replacing imported petroleum  
7 with domestically produced ethanol, bio-diesel and hydrogen; and

8  
9 WHEREAS, the American farmer can successfully grow a number of crops that are used to  
10 make bio-diesel and ethanol, while using ample wind resources to produce hydrogen; and

11  
12 WHEREAS, all of these activities contribute to job creation in rural areas, while further  
13 improving the rural economy; and

14  
15 WHEREAS, the Rural Economic Development Loan and Grant (REDL&G) program recognizes  
16 the vital role of rural electric and telephone systems in the community and economic development of their  
17 service territories;

18  
19 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association (Mid-  
20 West) urges the Rural Utilities Service to continue the REDL&G program as a way to enhance rural  
21 economic development. We further encourage the Congress to provide needed funding to ensure that  
22 workable programs are available to enable rural communities to provide employment opportunities; and

23  
24 BE IT FURTHER RESOLVED, that Mid-West supports rural development with a special  
25 emphasis on the creation of renewable fuels as a way to curb out migration, create jobs, develop rural  
26 opportunities and create distribution infrastructure.

1 **D. RURAL TELECOMMUNICATIONS**

2  
3 WHEREAS, improvements in communications technologies hold the potential to have continued  
4 positive impact on the improvement of rural life and the continued development of the areas served by  
5 Mid-West Electric Consumers Association (Mid-West); and  
6

7 WHEREAS, from time-to-time, impediments and restrictions imposed by various entities hinder  
8 municipal and/or rural electric cooperatives in their efforts to provide alternative telecommunications,  
9 internet services and technology services; and  
10

11 WHEREAS, Mid-West opposes the enactment and/or promulgation of federal, state or local laws  
12 or regulations that prohibit the use of publicly-owned infrastructure that could be utilized to provide  
13 enhanced communications services to rural areas;  
14

15 NOW, THEREFORE, BE IT RESOLVED, that Mid-West encourages the National Rural  
16 Telecommunications Cooperative (NRTC) and the National Rural Electric Cooperative Association  
17 (NRECA), American Public Power Association (APPA) and others to continue their efforts and  
18 cooperation with the objective of overcoming any legislation and/or regulatory obstacles which could result  
19 in higher telecommunication costs, threaten NRTC's competitive position and reduce the availability of  
20 telecommunication services in rural areas.

1 **E. RURAL UTILITIES SERVICE PROGRAM**

2  
3 WHEREAS, a strong Rural Utilities Service (RUS) is vital to the financing of the nation's  
4 rural electric network of generation, transmission, and distribution facilities; and  
5

6 WHEREAS, the rural electric cooperatives within the Midwest region and other rural electric  
7 cooperatives all across the country are investing funds to rejuvenate aging electrical systems,  
8 working with their communities in rural economic development, and helping to develop the rural  
9 water, television, and other services; and  
10

11 WHEREAS, the RUS continues to provide universally available programs at the lowest cost  
12 funding for electrical system improvements, engineering guidelines and standards for construction  
13 and operation of the electrical systems, zero based loans for economic development and a base of  
14 support for rural infrastructure building; and  
15

16 WHEREAS, Mid-West Electric Consumers Association (Mid-West) is deeply concerned  
17 about continued financing to an industry as basic as the rural electric program at rates that will  
18 assure the continued success of the program without unfairly burdening rural electric consumers and  
19 the taxpayer; and  
20

21 WHEREAS, unfortunately, the Administration and some members of Congress are trying to limit  
22 the ability of RUS to issue loans for base load generation, and

23 NOW, THEREFORE, BE IT RESOLVED, that Mid-West supports:  
24

- 25 a. An increase in loan levels that will meet the necessary credit needs of rural  
26 electric cooperatives including G & Ts and reduce the backlog of pending loan  
27 applications;
- 28
- 29 b. Continued availability of the Federal Financing Bank funding of RUS guarantees;  
30
- 31 c. The availability of five percent insured loans;  
32
- 33 d. RUS and Office of General Counsel staffing levels that are adequate to allow for  
34 timely processing of loans;  
35
- 36 e. The reinstatement of RUS financing for the construction of base load electric  
37 generation facilities; and  
38

39 BE IT FURTHER RESOLVED, that Mid-West reaffirms its continued support for a strong,  
40 viable RUS program and reaffirms its commitment to the program's future; and  
41

42 BE IT FURTHER RESOLVED, that Mid-West urges Congress to continue to provide  
43 adequate funding for RUS's rural development programs, including funds for rural electric systems  
44 to provide water and waste services, funds for small business incubators, and funds for rural distance  
45 learning and medical links; but these programs should in no way reduce the available funding for the  
46 core RUS electric loan program; and  
47

48 BE IT FURTHER RESOLVED, that Mid-West continues to oppose any proposals to  
49 eliminate or weaken the RUS electric loan program.



### **III. FEDERAL BUDGET AND TAX POLICY RESOLUTIONS**



1 **A. NET ZERO APPROPRIATION**

2  
3 WHEREAS, the budget of the Western Area Power Administration (Western) is initially  
4 funded by a Congressional appropriation; and

5  
6 WHEREAS, Western’s expenses are repaid to the U.S. Treasury by federal power rates; and

7  
8 WHEREAS, the annual costs of Western are returned to the U.S. Treasury in the year those  
9 costs are incurred; and

10  
11 WHEREAS, federal power customers have established work plan review groups in  
12 cooperation with the Western Area Power Administration to review expenditures; and

13  
14 WHEREAS, the treatment of Western’s annual costs in the Congressional Budget process  
15 does not recognize that those dollars are returned to the U.S. Treasury in the same year and thus do  
16 not contribute to the federal deficit; and

17  
18 WHEREAS, as a consequence the budget of Western is subject to reductions intended to  
19 reduce the federal deficit; and

20  
21 WHEREAS, inadequate funding of Western can threaten the reliability of the federal  
22 transmission system for all users and the marketing and delivery of federal power; and

23  
24 WHEREAS, a change in the treatment of Western’s annual expenses in the Congressional  
25 budget process that recognizes that Western’s annual expenses are returned to the Treasury in the  
26 same year, resulting in a net appropriation at the end of the year of zero dollars; and

27  
28 WHEREAS, adequate funding of Western is critical to the reliability of Western’s  
29 transmission systems and its responsibilities in the marketing of federal power; and

30  
31 WHEREAS, a “net zero” appropriation for Western’s annual costs still permits full  
32 Congressional review and oversight of Western’s budget; and

33  
34 WHEREAS, the review of Western’s expenses by customer/Western groups ensures federal  
35 power customer oversight as well;

36  
37 NOW, THEREFORE, BE IT RESOLVED, that the Mid-West Electric Consumers  
38 Association supports a change in Congressional budget scoring to allow a “net zero” appropriation  
39 for the annual expenses of the Western Area Power Administration.

1 **B. CUSTOMER REFUND OF IOU DEFERRED TAXES**

2  
3 WHEREAS, normalization of utility income taxes has been a means to preserve  
4 investor-owned utilities (IOUs) tax savings for their shareholders; and

5  
6 WHEREAS, currently, section 168 of the Internal Revenue Code denies consumers the  
7 prompt return of these over-collections by requiring return over the life of a project, which can be as  
8 long as thirty years; and

9  
10 WHEREAS, to restore authority to state and federal utility regulators to determine a  
11 reasonable schedule for customer rebates on a utility-by-utility basis would re-establish the proper  
12 jurisdiction in such matters; and

13  
14 WHEREAS, this money belongs to consumers and, in effect, constitutes a subsidy from  
15 consumers to the utilities; and

16  
17 WHEREAS, the deferred taxes should be returned directly to the customers and should not  
18 be used as economic development funds or to establish special funds for other IOU projects;

19  
20 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
21 supports enactment of legislation which would grant regulatory bodies the discretion to order rapid  
22 refund of deferred taxes directly to wholesale and retail customers.



1 **D. FEDERAL DEBT REDUCTION**

2 WHEREAS, the U.S. Government continues to operate with an annual deficit; and

3  
4 WHEREAS, the U.S. national debt has increased dramatically in recent years; and

5  
6  
7 WHEREAS, large interest payments on the national debt reduce the federal revenue available  
8 needed to fund necessary government programs; and

9  
10 WHEREAS, the rising national debt imposes an unfairly large burden on future generations  
11 to repay;

12  
13 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
14 urges the President and Congress to act on a bi-partisan basis to restore fiscal integrity to the federal  
15 budget by enacting balanced tax and spending policies that will again lead to the elimination of  
16 federal budget deficits and a gradual reduction of the national debt, while preserving programs vital  
17 to rural America.



1 **F. LEAD AGENCY POWER MARKETING**  
2 **ADMINISTRATIONS**

3  
4 WHEREAS, non-federal financing of hydroelectric generating facilities at federal projects  
5 inherently impacts such basic Power Marketing Administration (PMA) responsibilities as  
6 hydropower allocation repayment and rates, and transmission; and  
7

8 WHEREAS, existing law mandates first allocations and sales of power from hydroelectric  
9 generating facilities at federal projects to rural electric cooperatives, municipal utilities and other  
10 public power bodies; and  
11

12 WHEREAS, PMAs are the fully and legally constituted power marketing authorities and are  
13 charged by law to ensure that preference rights are upheld; and  
14

15 WHEREAS, there are numerous attempts still underway through legislative processes,  
16 through court actions and through various governmental agency actions to usurp and/or assume  
17 authorities and responsibilities that are now being, and should be, executed by the PMAs;  
18

19 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
20 (Mid-West) opposes any legislation, administrative action, or any other device which would  
21 commingle or dilute the traditional and basic PMA responsibilities, including hydroelectric power  
22 marketing, reservoir cost allocation and reallocation, repayment and rate responsibilities and  
23 transmission requirements, all of which must be addressed at the time of financing; and  
24

25 BE IT FURTHER RESOLVED, by Mid-West that any power additions at federal hydro  
26 projects by non-federal interests shall only be made with the full approval of the PMA involved,  
27 based on a cost benefit analysis, regional preference customers' needs, and that the added power  
28 commingled should be marketed by that PMA to preference customers.

1 **G. SECURING ADEQUATE FUNDING AT FEDERAL**  
2 **HYDROPOWER PROJECTS**  
3

4 WHEREAS, the Congress established specific guidelines governing the methods of operation  
5 of federal Power Marketing Administrations; and  
6

7 WHEREAS, those guidelines include that Western Area Power Administration (WAPA)  
8 establish rates at lowest cost consistent with sound business principles; and  
9

10 WHEREAS, such rates include expenditures resulting from budgetary decisions made by  
11 WAPA and the federal power generating agencies, the U.S. Army Corps of Engineers (COE) and the  
12 U.S. Bureau of Reclamation (USBR); and  
13

14 WHEREAS, WAPA, COE, and USBR are now required to obtain operating funds through  
15 appropriations procedures; and  
16

17 WHEREAS, Mid-West Electric Consumers Association (Mid-West) has consistently and  
18 strongly supported legislation which would give greater certainty and stability to WAPA; and  
19

20 WHEREAS, Mid-West has entered into a Memorandum of Understanding with WAPA,  
21 COE, and USBR to facilitate preference customer input into the budgetary planning process;  
22

23 NOW, THEREFORE, BE IT RESOLVED, that although federal appropriations for WAPA,  
24 COE, and USBR have declined, Mid-West supports future funding at appropriate levels for those  
25 agencies; and  
26

27 BE IT FURTHER RESOLVED, that Mid-West supports the development of partnerships  
28 between power customers and federal agencies to protect the integrity of federal hydroelectric  
29 facilities and the hydropower system, consistent with these principles:  
30

31 **Budget Development:** Customers need to have a meaningful, consistent and timely role in defining  
32 operations, capital budget priorities, and performance of the hydropower aspects of the Federal Power  
33 program agencies. The Memorandum of Understanding among Western, the Bureau, the Corps, the  
34 Loveland Area Customer Association, Western States Power Corporation (WSPC), and Mid-West is a  
35 promising vehicle for future refinements and developments in pursuit of this goal.  
36

37 **Customer Funding:** Customers will continue to work with Federal Power agencies (Western Area Power  
38 Administration, Corps of Engineers, U.S. Bureau of Reclamation) to provide reasonable funding -- within  
39 customers' capabilities -- for the "core mission," including capital requirements to sustain Western's ability  
40 to deliver federal power to its firm power customers. While the customers will provide continuing funding  
41 to support these efforts, customers strongly support increased federal funding for the Federal Power  
42 agencies' core missions, including, but not limited to, an increase in funding for capital funding to support  
43 the continuing operations of these critical national resources.  
44

45 **Partnerships:** In transmission, for growth related capital projects, as well as for other transmission  
46 investment by the customers requiring long term financial commitment by the customers, partnership  
47 relationships recognizing the customers' funding role will become an increasingly important aspect of  
48 future program plans. Direct customer ownership of transmission assets to meet customers' growth will be  
49 essential to both customers and Western in meeting their individual obligations, while recognizing  
50 Western's limited access to federal funding and customers' willingness to accept a larger ownership role in  
51 jointly-owned transmission assets.  
52

1           BE IT FURTHER RESOLVED, current firm power customer contracts need to be renewed or  
2 extended to provide long-term power supply certainty. Customers will be unable to continue to offer  
3 funding for capital projects if there is uncertainty about future benefits from those investments.  
4 Extended customer contracts are needed to align customers' access to federal power allocations to  
5 customers' funding commitments. Customers require assurance of reliable and timely transmission  
6 access to serve end customer loads. Present and future deliveries to serve Customer auxiliary loads  
7 must have the same measure of certainty as federal resource deliveries.

1 **H. COST BASED PRICING FOR FEDERAL POWER**

2  
3 WHEREAS, public statements of some have questioned the sale of federally produced power  
4 at rates, which they describe as below market price levels or true value; and  
5

6 WHEREAS, municipals, rural electric cooperatives and other public utilities have contracted  
7 for, and relied upon the availability of, at cost priced federally produced power in lieu of  
8 constructing their own thermal power plants; and  
9

10 WHEREAS, abandoning cost-based to rates would force federal power rates to rise  
11 significantly; and  
12

13 WHEREAS, municipals and rural electric cooperatives oppose proposals for sales of  
14 preference power to the highest bidder, and attempts by private companies to obtain federal  
15 preference power;  
16

17 NOW, THEREFORE, BE IT RESOLVED, that Mid-West:  
18

- 19 a. Vigorously opposes any pricing action of federal power that would create  
20 economic hardship on its members and the customers;  
21
- 22 b. Stands opposed to the promulgation and implementation by the Federal Energy  
23 Regulatory Commission of any rules or regulations that would condone,  
24 encourage, or authorize the use of market, true value, marginal cost or surcharge  
25 ratemaking in the establishment of federal wholesale electric power rates;  
26
- 27 c. Reaffirms its support of the long-standing congressionally approved standard of  
28 cost-based rates for electric power generated at federal projects and for continued  
29 applications of cost- based rates in the case of non-federal utilities, public and  
30 private;  
31
- 32 d. Commends Congress, for enacting legislation permanently denying funds for  
33 future non-cost-based rate studies.

1 **I. PRIVATIZATION OF FEDERAL POWER**

2  
3 WHEREAS, there have been consistent efforts to privatize vital functions of the federal  
4 government, exemplified by proposals to sell the enormously valuable federal hydroelectric systems  
5 of the United States; and  
6

7 WHEREAS, the announced purpose of these privatization efforts has been to reduce federal  
8 deficits by cutting government spending and waste, but it ignores the revenue stream from  
9 preference customers to the U.S. Treasury, which pays for all Pick-Sloan Program operating and  
10 maintenance costs and repays principal with interest; and  
11

12 WHEREAS, such full shouldering of costs by preference customers gives them vested  
13 entitlement in Pick-Sloan facilities; and  
14

15 WHEREAS, proposals for de-federalization of the federal power program have been  
16 repeatedly and soundly rejected by Congress as unrealistic and economically unsound; and  
17

18 WHEREAS, these privatization efforts have repeatedly singled out public power for attack  
19 and ignored the enormous taxpayer subsidies to private power companies--subsidies in excess of \$75  
20 billion of phantom taxes, which have been collected but not paid nationwide by investor-owned  
21 utilities; and  
22

23 WHEREAS, recent efforts by the Office of Management and Budget to reinitiate  
24 privatization efforts through a process known as Program Assessment Rating Tool, poses yet another  
25 threat to preference customers;  
26

27 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
28 (Mid-West) strongly opposes the persistent attacks by these various privatization groups on federal  
29 hydroelectric resources; and  
30

31 BE IT FURTHER RESOLVED, that Mid-West applauds Congress for prohibiting the use, by  
32 the executive branch, of federal funds for further privatization efforts.  
33  
34





1                                   **L. GARRISON POWER PLANT REHABILITATION**  
2

3                   WHEREAS, the U.S. Army Corps of Engineers (COE) operates six main stem dams and  
4 associated facilities on the Upper Missouri River, the power from which is sold through Western  
5 Area Power Administration (WAPA); and  
6

7                   WHEREAS, the COE is charged with responsibly operating and maintaining these dams  
8 according to congressional mandate pertaining to authorized purposes; and  
9

10                  WHEREAS, the five turbines in the Garrison Power Plant have experienced cracking almost  
11 since they were first operated in 1955, such cracking has gotten progressively worse. There is real  
12 danger of costly, catastrophic failures at each turbine; and  
13

14                  WHEREAS, the COE has conducted a study which recommends replacing the turbines with  
15 an improved design that will both correct the cracking problem and enhance efficiency of the five  
16 turbines; and  
17

18                  WHEREAS, the estimated total net benefit/cost ratio of 3.72 for the turbine replacements  
19 suggest real advantages to the project, in addition to those of avoiding major failures; and  
20

21                  WHEREAS, with the completion of turbine replacements, the Corps is moving its  
22 rehabilitation work into the switchyard;  
23

24                  NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association calls  
25 upon the Congress and the President to provide timely funding to complete the rehabilitation of the  
26 Garrison Power Plant.  
27

1 **M. PICK-SLOAN RATES**

2  
3 WHEREAS, the Western Area Power Administration (Western) is responsible for marketing  
4 and setting rates for the hydroelectric resources of the Pick-Sloan Missouri Basin Program (Pick-  
5 Sloan); and

6  
7 WHEREAS, the rate for Pick-Sloan power is determined based on costs, to be consistent  
8 with sound business principles; and

9  
10 WHEREAS, Western's rates, by law, must be set at a level to recover the costs of operation,  
11 maintenance, and replacements, and to assure timely repayment of the reimbursable Pick-Sloan  
12 federal investment with interest, as well as payment of irrigation costs beyond the irrigator's ability  
13 to repay; and

14  
15 WHEREAS, the hydroelectric rate for Pick-Sloan power is made up of costs of the U.S.  
16 Army Corps of Engineers (COE), the U.S. Bureau of Reclamation (USBR) and Western; and

17  
18 WHEREAS, Western's rate setting process requires a public participation process, which  
19 includes meetings with customers and the public to review the components of the rate and to seek  
20 the input of Western's customers; and

21  
22 WHEREAS, Mid-West Electric Consumers Association (Mid-West) members view the  
23 timely repayment of the reimbursable federal investment and appropriate operational costs in Pick-  
24 Sloan as a paramount obligation; and

25  
26 WHEREAS, Western makes new investments in Pick-Sloan at current interest rates which  
27 puts upward pressure on the Pick- Sloan rate; and

28  
29 WHEREAS, Western has instituted a cost control program to ensure the most effective use of  
30 investments; and

31  
32 WHEREAS, Mid-West and its members developed a drought adder component to the Pick-  
33 Sloan rate in order to ensure more timely repayment of related costs while protecting firm power  
34 customers from an inflated rate after those costs have been repaid; and

35  
36 WHEREAS, Mid-West has been working with Western, the USBR, and COE to develop a  
37 standardized financial reporting format; and

38  
39 WHEREAS, the USBR has been working with Mid-West to develop detailed cost  
40 information for the hydropower rates;

41  
42 NOW, THEREFORE, BE IT RESOLVED, that Mid-West encourages Western, the COE, and  
43 the USBR to continue their efforts and encourages the COE and the USBR to provide timely and  
44 standardized financial reports to customers which:

- 45  
46 a. Identify all major cost categories (capital and operating) for both current and  
47 projected operations;  
48  
49 b. Compare actual financial operating performance to budgeted amounts; and

50  
51 BE IT FURTHER RESOLVED, that Mid-West supports Pick-Sloan hydroelectric rates being  
52 set at levels sufficient to assure fulfillment of the repayment responsibilities to the Federal Treasury

1 and payment of appropriate annual operating expenses while taking into consideration the long-term  
2 effects of hydrological conditions; and

3  
4 BE IT FURTHER RESOLVED, that Mid-West calls upon each of the federal agencies,  
5 which are funded from Pick-Sloan revenues to aggressively pursue cost containment programs and  
6 provide periodic reports to customers on such actions; and

7  
8 BE IT FURTHER RESOLVED, that Mid-West pledges to work with Western to address rate  
9 and repayment issues in an expeditious manner.

10

1                                   **N. OPPOSITION TO THE DILUTION OF FEDERAL**  
2                                   **PREFERENCE POWER**

3  
4                   WHEREAS, it has been proposed that new federal marketing rules be developed which would  
5 allow preference power to automatically flow across Investor Owned Utility (IOU) power lines through  
6 lease arrangements with new public power entities; and  
7

8                   WHEREAS, such entities could easily be formed by private power marketers and others bent on  
9 using access to federal cost-based power as a means to gain an advantage over their competitors; and  
10

11                  WHEREAS, any consideration of a change in federal preference power allocations expose rural  
12 America to an onslaught of competing demands from other interests; and  
13

14                  WHEREAS, there is no comparable precedent for the expansion of preference power eligibility;  
15 and  
16

17                  WHEREAS, federal preference power was created by Congress to protect fragile rural economies  
18 from unstable power rates;  
19

20                  NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association (Mid-  
21 West) opposes changes in the allocations of federal preference power which would expand rights to this  
22 power to IOU customers; and  
23

24                  BE IT FURTHER RESOLVED, that Mid-West calls on the Western Area Power  
25 Administration (WAPA) to continue delivering those WAPA allocations that have been removed for  
26 Resource Pool allocations to the current contract holders until all arrangements for delivery have  
27 been approved by all parties; and  
28

29                  BE IT FURTHER RESOLVED, that, Mid-West calls on WAPA to not expand the use of  
30 WAPA allocations under any new resource pool in the future.

## **IV. ENVIRONMENTAL POLICY RESOLUTIONS**



1 **A. WILDERNESS AREA DESIGNATIONS**

2  
3 WHEREAS, many millions of acres of federal lands under the supervision of the U. S. Forest  
4 Service and the U.S. Bureau of Land Management have been considered for re-classification as  
5 wilderness by Congress; and

6  
7 WHEREAS, re-classification of additional lands as wilderness would take away the  
8 availability of these lands for multiple use as coal mines, generator plant sites, water development  
9 projects and power line right of ways; and

10  
11 WHEREAS, the designation of wilderness study areas in which true wilderness  
12 characteristics do not exist, leads to the unnecessary disruption and sometimes abolition of power  
13 line locations, plant sightings, coal mine production, water impoundment and other water use  
14 projects; and

15  
16 WHEREAS, the application of federal reserved water rights through the wilderness  
17 designation process represents a preemption of established state water law to the detriment of  
18 traditional water use doctrine and is unjustified on the basis of authority specifically held by states  
19 to administer the water resources of the states; and

20  
21 WHEREAS, power plant operations have already been jeopardized by the presence of Class I  
22 air quality requirements superimposed within previously permitted air sheds through designation of  
23 wilderness areas after the fact;

24  
25 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
26 strongly opposes the designation or study of any area in which true wilderness characteristics do not  
27 exist, opposes the new designation of wilderness areas near existing power plants and coal mines  
28 that subsequently would come under current or new mitigation criteria, and opposes the  
29 establishment of federal reserved water rights through wilderness designation.

## B. ENDANGERED SPECIES ACT

1  
2  
3 WHEREAS, the Endangered Species Act (ESA) of 1973, the landmark environmental law  
4 designed to protect endangered and threatened animal and plant species, is subject to  
5 reauthorizations; and  
6

7 WHEREAS, likely to be addressed in the reauthorization process are procedural changes and  
8 refinements to make the Act more efficient and effective, and less costly; and  
9

10 WHEREAS, part of this debate will focus on finding the proper balance for the  
11 accommodation of essential economic activities;  
12

13 NOW, THEREFORE, BE IT RESOLVED, with respect to amendments and refinements,  
14 Mid-West Electric Consumers Association (Mid-West) urges Congress to consider the following:  
15

16 a. **Good Science.** The law requires that every ESA action be based on scientific information  
17 on a species or its habitat. To ensure fair and sensible decision-making, this scientific information  
18 must be accurate and as thorough as possible. Scientific information can be improved by requiring  
19 minimum scientific standards and fair and impartial peer review;  
20

21 b. **Citizen Participation.** Private citizens and communities - especially those directly  
22 affected by conservation decisions-should have a greater stake and a more prominent role during  
23 ESA decision-making process. The Act should provide for earlier and more meaningful  
24 opportunities for citizens to participate, more citizen involvement in recovery plans, and a more  
25 prominent role in the consultation process for applicants for federal licenses and permits;  
26

27 c. **Equal Access to the Courts.** Federal courts have refused to review ESA claims filed by  
28 parties asserting economic or social interest. Rather, these courts have granted standing to file an  
29 ESA "citizen suit" only to environmental advocacy groups and others suing on behalf of a species.  
30 This unequal treatment must be eliminated; there should be a fair and even-handed opportunity for  
31 both sides to bring actions under the law;  
32

33 d. **Incentives to Conserve Habitat.** The Act should be amended to provide incentives for  
34 property owners to conserve, rather than destroy habitat and to provide regulatory certainty to  
35 property owners who voluntarily participate in conservation plans;  
36

37 e. **Shared Burdens.** The ESA itself calls for "encouraging" states and private parties  
38 through a system of incentives to implement a program to conserve fish, wildlife and plants "for the  
39 benefits of all citizens." Contrary to this statement, however, ESA implementation often has placed  
40 the burdens of conservation disproportionately on private landowners, small and rural communities  
41 and the employees of resource-based industries. If all citizens benefit from species conservation,  
42 then all citizens should bear the costs even-handedly;  
43

44 f. **Cost Effective Recovery Plans.** Recovery plans are expensive to implement. Many of  
45 the costs are the direct expenses and lost opportunities of private parties and state and local  
46 governments. Costs to all parties should be minimized by requiring implementation of the least  
47 costly recovery plan that would achieve the recovery of the species.

## C. GLOBAL CLIMATE CHANGE

1  
2  
3 WHEREAS, legislation under consideration to address climate change, whether through the  
4 imposition of a tax or emissions limitations on carbon dioxide, would have substantial negative effects on  
5 electric consumers if they are poorly crafted, and it is in the interest of all utilities to be actively engaged in  
6 the debate over how to address the climate change issue; and  
7

8 WHEREAS, it must be remembered and emphasized that consumers ultimately pay the taxes and  
9 operating expenses associated with electrical generation; and that additional expenses or taxes on carbon  
10 dioxide or other aspects of the electric power industry may cause them to pay significantly higher electric  
11 bills, obstruct competitive generation, and hinder the competitive status of the entire industry; and  
12

13 WHEREAS, regulation of carbon dioxide would disproportionately affect the cost of  
14 electricity produced by Mid-West Electric Consumers Association (Mid-West) members who rely on  
15 fossil fuels for their power supply in excess of their hydro allocations; and  
16

17 WHEREAS, the full development and use of hydroelectric power as a renewable energy  
18 resource free of carbon emissions must play a crucial role in the national effort to address global  
19 climate change; and  
20

21 WHEREAS, any new climate change legislation must, at a minimum, provide regulatory  
22 certainty and stability, and maintain coal-based generation as part of the electricity supply mix;  
23

24 NOW, THEREFORE, BE IT RESOLVED, that Mid-West encourages the congressional  
25 delegations, governors, and other public officials in its member region to oppose legislative efforts that  
26 would substantially increase electricity costs; and  
27

28 BE IT FURTHER RESOLVED, that any federal plan to control greenhouse gases must apply to all  
29 sectors of the economy, must maintain fuel diversity, and include provisions to ensure developed and  
30 developing nations around the world take steps to reduce greenhouse gases; and  
31

32 BE IT FURTHER RESOLVED, that any climate change policy must be technology neutral, and  
33 avoid picking winners and losers in terms of fuel use for current or future electric generation; and should  
34 not impose unrealistic targets or timelines for carbon that outpace the development of new technologies that  
35 will be needed to capture and sequester large amounts of carbon dioxide from existing and new power  
36 plants; and  
37

38 BE IT FURTHER RESOLVED, that Mid-West urges Congress to provide financial  
39 incentives for the capture and sequestration of carbon dioxide at existing and new coal-based power  
40 plants and the development of new and existing clean energy technologies, including maximizing the  
41 reliability and efficiency of the existing federal hydroelectric facilities; and  
42

43 BE IT FURTHER RESOLVED, the members of Mid-West have invested heavily in energy  
44 efficiency, renewable energy, and conservation efforts. Mid-West supports continued investment in  
45 these programs and incentives to encourage energy efficiency and conservation, including  
46 investments made by electric utilities and electric consumers; and  
47

48 BE IT FURTHER RESOLVED, that climate change legislation must maintain a viable path  
49 for the future of coal, both to protect consumers and to maintain domestic energy security.  
50

1 **D. HAZARDOUS AND TOXIC WASTE DISPOSAL**

2  
3 WHEREAS, members of Mid-West Electric Consumers Association (Mid-West) are required  
4 by federal law to dispose of hazardous and toxic wastes contaminated equipment removed from their  
5 utility systems in a manner prescribed by Environmental Protection Agency (EPA) regulations; and  
6

7 WHEREAS, many Mid-West members have invested considerable resources over the last  
8 twenty years to clean transformers and other electrical equipment down to levels prescribed in EPA  
9 regulations and to ship hazardous and toxic materials for disposal to facilities permitted by the EPA;  
10 and

11  
12 WHEREAS, such cleanup activity has been conducted in good faith and at considerable  
13 expense to the utility; and

14  
15 WHEREAS, hazardous and toxic waste disposal activity continues with many Mid-West  
16 members; and

17  
18 WHEREAS, in certain cases, owners of the state and EPA permitted disposal facilities have  
19 become financially insolvent and are no longer in business after receipt of hazardous and toxic waste  
20 materials without properly disposing of those materials; and

21  
22 WHEREAS, in those cases where the EPA-permitted disposal facilities have not fulfilled their  
23 responsibilities, the utility shipping the material in compliance of federal and state laws and regulations  
24 finds itself forced by EPA to expend substantial additional funds to clean up the abandoned disposal site in  
25 spite of the fact that the utility initially paid the disposal operator to properly dispose of the hazardous and  
26 toxic materials;

27  
28 NOW, THEREFORE, BE IT RESOLVED, that Mid-West urges any future amendments to the  
29 hazardous and toxic waste disposal regulations not impact utilities by creating more stringent requirements  
30 and lowered allowable contamination levels; and

31  
32 BE IT FURTHER RESOLVED, Mid-West supports the requirement of a comprehensive risk  
33 assessment to identify the actual level of risk involved and the anticipated level of risk expected through the  
34 law's implementation; and

35  
36 BE IT FURTHER RESOLVED, that Mid-West urges the federal law be modified from its  
37 present "cradle to grave" concept to be changed to relieve the liability of the generator once the  
38 hazardous and toxic materials have been picked up by a federal or state approved transporter for  
39 shipment to an EPA-permitted disposal facility.  
40



## F. MULTI-EMISSIONS LEGISLATION

1  
2  
3 WHEREAS, one or more legislative “multi-emissions” proposals seek to control of  
4 emissions of sulfur dioxide (SO<sub>2</sub>), nitrogen oxides(NO<sub>x</sub>), and mercury (Hg) from electric utility  
5 power plants; and  
6

7 WHEREAS, certain members of the U.S. Senate have been promoting legislation which  
8 would seek to control the same emissions as included in the Administration’s proposal – as well as  
9 carbon dioxide (CO<sub>2</sub>); and  
10

11 WHEREAS, a uniform, “one size fits all” emission reduction requirement significantly  
12 disadvantages the western power producers, and  
13

14 WHEREAS, Western region emission rates for SO<sub>2</sub>, NO<sub>x</sub>, and particulate matter are lower  
15 than other regions in the country and programs have been developed to further reduce emission rates  
16 to address visibility; and  
17

18 WHEREAS, Mid-West Electric Consumers Association’s (Mid-West) members are faced  
19 with ever expanding environmental requirements that are duplicative, piecemeal and unnecessarily  
20 expensive; and  
21

22 WHEREAS, addressing environmental regulations in a comprehensive multi-emissions  
23 reduction process is more cost effective; and  
24

25 WHEREAS, any new "multi-emission" legislation must, at a minimum, provide regulatory  
26 certainty and stability, increase compliance flexibility, reduce compliance costs, and maintain coal-  
27 based generation as part of the electricity supply mix; and  
28

29 WHEREAS, "multi-emissions" proposals that would simply impose additional requirements  
30 on electric generating stations without removing or reforming existing requirements like New Source  
31 Review (NSR), would result in increased regulatory complexity, would result in regulatory  
32 uncertainty and would increase costs;  
33

34 NOW, THEREFORE, BE IT RESOLVED, that Mid-West endorses multi-emission  
35 legislation, which at a minimum meets the following criteria:  
36

- 37 a. Programs to reduce emissions should take into account regional differences and  
38 maintain fuel diversity, with coal continuing as a viable fuel source for electricity;  
39
- 40 b. Provides adequate time for power plants to implement new emissions reduction  
41 requirements, rather than a schedule that is too rapid forcing many power  
42 plants off-line to install new controls;  
43
- 44 c. Designs emissions reductions that can be accomplished in ways that do not impose  
45 excessive cost on the industry and consumers;  
46
- 47 d. Programs to reduce emissions should be flexible and include emissions trading to  
48 minimize the costs of this program on individual sources and the nation;  
49
- 50 e. Programs to reduce emissions should incorporate adequate future regulatory  
51 certainty, whereby there would be assurance that the recovery of the cost of  
52 capital investments and the cost of additional major changes in power plants  
53 would not be threatened;

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- f. Mandatory programs to mitigate CO2 emissions should not be adopted at this time until a thorough and comprehensive review of the economic consequences of such regulation has been completed; at that time any such program should be applied to multiple economic sectors and not be limited to emissions from electric power generation;
- g. Any “multi-emissions” program should result in the separate, stand alone emissions regulations under the current Clean Air Act, and the New Source Review requirements relative to modifications at existing units;
- h. Provisions for government/private sector research and development collaboration to promote combustion and pollution control technologies should be incorporated into any new “multi-emissions” legislation;
- i. Programs that incorporate emissions trading should be structured to ensure no potential adverse effects on emissions credit pricing or emissions credit availability due to discriminatory market power.

## **G. CAP AND TRADE LEGISLATION**

1  
2  
3       WHEREAS, Congress is considering legislation that would create a “cap and trade” program to  
4 regulate emission of carbon dioxide in the United States, and  
5

6       WHEREAS, these legislative proposals would create a market for the buying, selling, and trading  
7 of carbon dioxide emission allowances, and  
8

9       WHEREAS, the legislation also proposes to issue some allowances free of charge to electric  
10 utilities in order to offset some of the increased costs of compliance under the cap and trade program.  
11

12       NOW, THEREFORE BE IT RESOLVED, that Mid-West believes that should any cap and trade  
13 bill be adopted by Congress, that it should ensure that carbon dioxide emission allowances are issued, at no  
14 cost, to electric utilities solely on the basis of carbon dioxide emissions, and not on retail sales; and  
15

16       BE IT FURTHER RESOLVED, that the market for buying, selling, and trading carbon dioxide  
17 allowances should be managed in a way to prevent Wall Street speculators or others from distorting the  
18 market.  
19

## **V. PUBLIC POLICY RESOLUTIONS**





1 **B. SNOW SURVEY PROGRAM**

2  
3 WHEREAS, the Natural Resource Conservation Service under the Department of Agriculture  
4 has annually conducted the, Federal Snow Survey Program; and

5  
6 WHEREAS, the information obtained from these surveys is vital for the optimum operation  
7 of the federal dams in the Missouri River Basin;

8  
9 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
10 urges the Secretary of Agriculture to continue the Snow Survey Program and provide the program  
11 with adequate funding.

1 **C. PRIVATE PROPERTY RIGHTS**

2  
3 WHEREAS, no person or organization should be deprived of the use of private property  
4 without due process of law and no private property should be taken or damaged by governmental  
5 action without just compensation having first been made; and  
6

7 WHEREAS, the taking of private property for governmental purposes has created an  
8 uncertainty and a burden on the citizens of the United States through lengthy and costly litigation  
9 which many cannot afford and in some instances, property owners' rights to realize value from their  
10 property are inhibited or denied by regulation, environmental or other laws;  
11

12 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
13 (Mid-West) urges the government to carefully evaluate laws and avoid proposed regulatory or  
14 administrative actions that may result in a governmental taking of private property; and  
15

16 BE IT FURTHER RESOLVED, that Mid-West supports property rights of individuals and  
17 opposes the use of Government eminent domain solely for private economic development; and  
18

19 BE IT FURTHER RESOLVED, that Mid-West supports actions by governmental agencies  
20 that ensure the Constitutional protection of private property rights, but if it must be public policy to  
21 take private property for governmental purposes, then it should be public policy to justly compensate  
22 property owners for their losses.

## D. RURAL HEALTH CARE

WHEREAS, rural health services are at a competitive disadvantage in availability, accessibility, and cost compared to urban health care and resolution of those problems requires national attention; and

WHEREAS, improvement in access to rural health care services and health care insurance coverage is essential and would prove beneficial to consumers in rural America;

NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association (Mid-West) supports the development of a system that recognizes the unique services and needs of rural health care programs; and

BE IT FURTHER RESOLVED, that Mid-West supports a program essential and beneficial to the economic, physical, and mental health of our communities that:

- a. Works at all levels—national, state, and local—to achieve those measures, which will ensure adequate and affordable health care;
- b. Encourages organizational innovation in the establishment and delivery of rural health care services;
- c. Supports measures to expand health care coverage and accessibility in rural areas;
- d. Meets the needs of rural health care providers by revising reimbursement practices in public-sector programs to reflect actual cost fairly and in a timely manner;
- e. Encourages innovation in areas of affordability and accessibility for health insurance coverage in rural America;
- f. Supports a full income tax deduction for health insurance premium payments made by individuals paying in total or in part for their own health insurance premiums;
- g. Develop programs that would provide tuition debt forgiveness to those in the medical profession who commit to practicing medicine in rural areas.

1 **E. FEDERAL LAND RIGHT-OF-WAY FEES**

2  
3 WHEREAS, many Not for Profit Essential Electric Service providers must, to serve the  
4 public, procure transmission, distribution and fiber optic line right-of-way permits from departments  
5 or agencies of the federal government to cross lands owned by the United States of America; and  
6

7 WHEREAS, such essential electrical and telecommunication services serve the needs of both  
8 the public and private sector and do foster and maintain the economic and social well being of the  
9 United States of America and its citizens; and  
10

11 WHEREAS, right-of-way permits to Rural Utilities Service financed corporations (a Not for  
12 Profit Essential Electric Service Provider) have been exempt from annual rental fees under P.L.  
13 98-300 (98 Stat. 215); and  
14

15 WHEREAS, the U.S. Forest Service, Corps of Engineers and U.S. Department of Agriculture  
16 (USDA) have instituted a process of calculating right-of-way fees, requiring Not for Profit Electric  
17 Service Providers seeking a right-of-way permit to agree to the fee charges and, only then, waiving  
18 the fees; and  
19

20 NOW, THEREFORE, BE IT RESOLVED that Mid-West Electric Consumers Association  
21 objects to and opposes any and all compilations and "waived" or "exempted" rental fees, for the  
22 purpose of showing exempted financial benefits to Not for Profit Electric Service Providers or for  
23 any other purpose, because the same are both inappropriate, inaccurate, serve no useful purpose and  
24 in fact are only used as a hindrance or hurdle in the granting of a right away permit to Not for Profit  
25 Essential Electric Service Providers.

1 **F. STATE AND FEDERAL MANDATES**

2  
3 WHEREAS, the appropriate role of the state and federal government is to protect the health,  
4 safety, and welfare of the populace including the environmental protection of clean air, clean water,  
5 and all species; and  
6

7 WHEREAS, there is a need for the state and federal government to mandate appropriate  
8 regulations for the public welfare; and  
9

10 WHEREAS, in many instances the state and federal governments enact laws which dictate  
11 compulsory compliance and then delegate enforcement and funding to other entities, thus  
12 jeopardizing the budgetary options of local governments and, often times, consumer-owned electric  
13 systems;  
14

15 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
16 calls on Congress and the Administration, as well as state governments, to include in future program  
17 development and mandates, the requirement of a cost/benefit analysis.  
18  
19

1 **G. DOMESTIC MILITARY INSTALLATION CLOSURE/PRIVATIZATION**

2  
3 WHEREAS, a number of military installations in the nation have been closed, are being  
4 consolidated with other locations, or having their electric utilities privatized; and

5  
6 WHEREAS, the rural electric organizations which served these loads are experiencing  
7 negative economic impacts due to the loss of these loads, in making the necessary line retirements  
8 and line conversions; and

9  
10 WHEREAS, the sparsely populated rural nature in the areas where these military  
11 installations are located is such that the impact of the costs incurred are significant; and

12  
13 WHEREAS, in some instances, the Western Area Power Administration (WAPA) power  
14 allocations were assigned to certain systems or their power suppliers in an effort to prevent  
15 significant rate impact to the other consumers while the military installations were being served; and

16  
17 WHEREAS, supplemental power costs for service to the military installations over the years  
18 have increased to a level where the loss of the WAPA allocation will cause significant impact to the  
19 systems affected;

20  
21 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
22 (Mid-West) is opposed to military installation closures until savings to the federal government can  
23 be proven from previous closures; and

24  
25 BE IT FURTHER RESOLVED, those preference systems holding Department of Defense  
26 (DOD) hydropower allocations are assigned the allocations to promote economic development in the  
27 area immediately surrounding the affected military installation; and

28  
29 BE IT FURTHER RESOLVED, that Mid-West opposes any retention of federal power  
30 allocations where the on-base electric utility facilities have been "privatized" by being sold to an  
31 investor-owned utility or other non-preference entity.

1 **H. UTILITY USE OF RADIO SPECTRUM**

2  
3 WHEREAS, the federal power generation and marketing agencies and non-federal utilities  
4 have been assigned portions of the radio spectrum for the operation of microwave and land- based  
5 mobile communications systems; and  
6

7 WHEREAS, the continued use of these frequencies is essential for the reliable operation of  
8 the nation's electric utilities; and  
9

10 WHEREAS, the health and welfare of the public is directly related to that reliable supply of  
11 electric energy twenty-four hours a day, seven days a week; and  
12

13 WHEREAS, there have been legislative efforts to reassign frequencies currently reserved for  
14 federal government use that includes the frequencies assigned to the federal power generation and  
15 marketing agencies and there have been similar regulatory efforts to reassign frequencies currently  
16 reserved for non-federal utility use; and  
17

18 WHEREAS, the non-federal utilities have already lost portions of their reliable 2 Ghz  
19 microwave band to Personal Communications Services and other emerging technologies through  
20 spectrum auctions, with other portions yet to be auctioned by federal agencies; and  
21

22 WHEREAS, there have been legislative efforts, which would require electric utilities to  
23 purchase their required radio spectrum through the auction process, or an equivalent amount in lease  
24 fee; and  
25

26 WHEREAS, the auctioning of radio spectrum to the highest bidder could eliminate the  
27 ability of small electric utilities and municipal agencies to have equal access to much-needed radio  
28 spectrum used for reliable service. Additionally, this would pit smaller utilities against larger deep  
29 pocket companies competing for the same frequencies, which ultimately would result in substantial  
30 cost increases for federal and non-federal utilities and their consumers;  
31

32 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
33 (Mid-West) urges Congress and the appropriate regulatory agencies to not include the frequencies  
34 used by utilities for the operation of microwave and land- based mobile systems in any future  
35 auctions, or leasing schemes unless and until all applications for licenses for utilities have been  
36 accommodated; and  
37

38 BE IT FURTHER RESOLVED, that Mid-West opposes any auction that would allow the  
39 purchase of large blocks of radio spectrum by commercial entities and the leasing back of that  
40 spectrum to the federal power marketing agencies and non-federal utilities on a for-profit basis.  
41 Radio spectrum is a natural resource that must be used by those that can make the best use of it for  
42 public betterment, not as a resource for a revenue stream; and  
43

44 BE IT FURTHER RESOLVED, since the electric service that the Mid-West members  
45 provide directly relates to the health and welfare of the public, the electric utilities shall be given the  
46 same consideration for their radio spectrum by the federal legislative and regulatory bodies, as for  
47 the public safety agencies; and  
48

1           BE IT FURTHER RESOLVED, that Mid-West opposes any current or future effort to move  
2 primary users to secondary status and to relocate radio spectrum currently assigned to either federal  
3 or non-federal utilities, unless these utilities are transferred, at no cost to them, to frequencies of  
4 equal or greater reliability. The cost of relocation must not be borne by the utilities forced to move,  
5 utilities must be allowed to continue to own and operate their own private communications systems  
6 rather than relying on private contractors, and sufficient time must be allowed to acquire the  
7 necessary new equipment that meets or exceeds the system's previous reliability standards.

1  
2  
3 **I. FIRE SUPPRESSION**

4 WHEREAS, to serve their customers, consumer-owned electric utilities in the member states of  
5 Mid-West Electric Consumers Association (Mid-West) have distribution and transmission lines that cross  
6 vast distances of federal lands, including the U.S. Forest Service, National Park Service, Bureau of Land  
7 Management, federal monuments land, and U.S. Fish and Wildlife Service; and

8 WHEREAS, much of the forested federal lands are densely overgrown and have unnatural,  
9 unhealthy, and unsafe fuel buildups; and

10  
11 WHEREAS, the U.S. Forest Service has included strict liability for fire suppression cost recovery  
12 in granting utility easements; and

13  
14 WHEREAS, federal agencies have policies denying consumer-owned utilities timely access to  
15 federal lands to perform routine prudent maintenance of electric utility rights-of-way; and

16  
17 WHEREAS, prohibitions on consumer-owned electric utilities clearing dry brush from forest floors  
18 or trimming and topping trees have resulted in dangerous incidents of electrical arcing, damaging power  
19 lines and forest lands;

20  
21 NOW, THEREFORE, BE IT RESOLVED, that Mid-West calls upon federal agencies to permit  
22 consumer-owned electric utilities to conduct timely routine and prudent maintenance on utility rights-of-  
23 way on federal lands; and

24  
25 BE IT FURTHER RESOLVED, that Mid-West calls upon federal agencies to change the  
26 liability standard to one of ordinary negligence in determining fire suppression liabilities; and

27  
28 BE IT FURTHER RESOLVED, that Mid-West supports legislation that:

- 29  
30 a. will reduce the environmental documentation needed for fuel reduction in high  
31 fuel loading/insect areas;  
32  
33 b. eliminate or severely reduce post-decision appeals;  
34  
35 c. expedite judicial review; and fund the needed fuel reduction treatment; and  
36

37  
38 BE IT FURTHER RESOLVED, that Mid-West supports programs that accomplish fuel reduction  
39 by taking excess trees and turning them into useful products for consumers thereby providing economic  
opportunity for our communities.

1 **J. LANDOWNER WIND ASSOCIATIONS**

2  
3 WHEREAS, the Mid-West Electric Consumers Association (Mid-West) supports its members who  
4 wish to benefit from the windy areas in which they live by energy produced by large wind turbines; and  
5

6 WHEREAS, wind companies who want to build turbines on land owned by our customers only  
7 look at their own profitability through technical land leases, and tactics that pit landowners against one  
8 another; and  
9

10 WHEREAS, wind developers often attempt to inhibit or fully restrict other types of development  
11 where they have wind easements even when that development would be beneficial to the landowner and the  
12 community at large; and  
13

14 WHEREAS, landowners in windy areas with proper knowledge of varied leasing arrangements and  
15 collective bargaining positions will have opportunities to increase profits with turbines sited on their  
16 properties; and  
17

18 WHEREAS, landowner wind associations create a model for landowners to work together to gain  
19 knowledge and profitability to the betterment of the communities in which they live;  
20

21 NOW, THEREFORE BE IT RESOLVED, that Mid-West supports landowner wind association  
22 models that will generate more income for landowners of windy lands; and  
23

24 BE IT FURTHER RESOLVED, that Mid-West supports wind easements that allow for other types  
25 of development to occur on land that is under easement to wind developers where that development does  
26 not interfere with the wind development; and  
27

28 BE IT FURTHER RESOLVED, that in those cases where other development may interfere with  
29 the planned wind development that the wind developer and the other developer will negotiate an  
30 appropriate mitigation to allow both developments to occur when possible.



## **VI. ASSOCIATION POLICY RESOLUTIONS**



1  
2 **A. EDUCATIONAL PROGRAM FOR PREFERENCE POWER**  
3

4 WHEREAS, the preference clause in federal law gives public power systems and rural  
5 electric systems first right to federally generated power from federal dams; and  
6

7 WHEREAS, there have been attacks on the "public first right" established by law,including  
8 both challenges in first right of access to this power and proposals to increase the cost of this power  
9 by means of various rate reform proposals thereby making the first right meaningless; and  
10

11 WHEREAS, this problem is of such a serious nature that steps must continue to be taken to  
12 address and combat issues which, ultimately, must be decided by members of Congress; and  
13

14 WHEREAS, there is a need to communicate to members of Congress the significance of  
15 "yardstick competition" which the preference clause promotes, the importance of preference to the  
16 economic well-being of rural and urban America, and the public benefits, which result from the use  
17 of public resources, the energy potential of the nation's rivers, and local control over an essential  
18 public service; and  
19

20 WHEREAS, the American Public Power Association (APPA) and National Rural Electric  
21 Cooperative Association (NRECA) continually work with the Congress and the Administration to  
22 preserve preference and cost-based rates for Federal power; and individual consumer-owned utilities  
23 have also undertaken local educational campaigns; and  
24

25 WHEREAS, we are opposed to legislative and administrative actions, which would  
26 undermine preference or arbitrarily increase the cost of federally generated power; and  
27

28 WHEREAS, we maintain efforts to educate the public regarding the significance of  
29 preference and cost-based rates to broaden grass roots political support for these policies;  
30

31 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
32 urges its members, APPA and NRECA, to continue to aggressively support major educational and  
33 informational efforts to revitalize and build support for the preference clause in Congress, with state  
34 and local officials, with the public and the media.

1 **B. FUTURE POWER SUPPLY COORDINATION**

2  
3 WHEREAS, experience in joint planning of both power supply and transmission facilities  
4 has demonstrated that coordination and cooperation is the most economical means to develop such  
5 resources in the Missouri Basin for preference customers; and  
6

7 WHEREAS, evidence of the value of coordinating power supply and transmission resources  
8 has been the successful construction and operation of the integrated system; and  
9

10 WHEREAS, an important element of maintaining strength among preference customers in  
11 the Missouri Basin is a willingness to coordinate and cooperate in the development of both power  
12 supply and transmission facilities; and  
13

14 WHEREAS, changes as a result of wholesale competition and open transmission access are  
15 resulting in more coordination through Independent System Operators and other mechanisms;  
16

17 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
18 urges its members to continue to take advantage of the benefits that come from coordinating and  
19 cooperating in the planning, development, and operation of transmission, power supply, and  
20 demand-side resources in the region.

1 **C. MEMBER, PUBLIC, AND EMPLOYEE RELATIONS**  
2

3 WHEREAS, consumer-owned electric power supply systems will in the future require an  
4 even greater understanding and active support on the part of the membership they serve, as well as  
5 on the part of the general public; and  
6

7 WHEREAS, member understanding and active support can best be nurtured by aggressively  
8 pursuing programs which afford the members adequate information concerning the total public  
9 power supply programs to the extent whereby each member is moved to contribute his or her  
10 involvement in programs designed to enhance the consumer-owned systems; and  
11

12 WHEREAS, knowledgeable and trained employees and directors are also, along with an  
13 informed and concerned consumer-membership, vital elements in the successful development of a  
14 communication process, which serves to strengthen the consumer-owned systems' desires and  
15 abilities to influence their futures; and  
16

17 WHEREAS, a strong consumer-owned philosophy and the reaffirmation of the basic  
18 principles of consumer-owned power supply have always been the strengths of our local, regional,  
19 and national organizations;  
20

21 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
22 (Mid-West) strongly urges each of its member systems to maintain an effective member and public  
23 communications program, with emphasis on informing the membership of all aspects of the  
24 preference clause and its vital importance to the entire consumer-owned power supply program and,  
25 where possible, strengthen and enhance such programs; and  
26

27 BE IT FURTHER RESOLVED, that Mid-West urges each of its member systems to develop,  
28 maintain and fund strong employee and director training and education programs so that those  
29 employees and directors are best able to carry out effective public and member relations' efforts and  
30 respond to the goals and needs of the membership by helping to protect vital programs and enhance  
31 the flow of timely and accurate information to the membership and the general public; and  
32

33 BE IT FURTHER RESOLVED, that Mid-West encourages consumer-owned power supply  
34 systems to support the primary management tool of communications, which if pursued with  
35 dedication and determination, remains one of the abiding strengths of consumer-owned electric  
36 power supply. However, Mid-West asks that all organizations work together to improve and  
37 coordinate their programs and avoid duplication of services and costs.

1 **D. POLITICAL ACTION COMMITTEES**

2  
3 WHEREAS, Mid-West Electric Consumers Association (Mid-West) recognizes that we must  
4 have a U. S. Congress that understands and is sympathetic to the legislative needs of  
5 consumer-owned electric utilities; and  
6

7 WHEREAS, the National Rural Electric Cooperative Association's Action Committee for  
8 Rural Electrification (ACRE) and the American Public Power Association's Power PAC are  
9 dedicated to providing assistance to the election campaign of Congressional candidates who  
10 understand and are sympathetic to the legislative needs of public power;  
11

12 NOW, THEREFORE, BE IT RESOLVED, that Mid-West hereby urges all consumers,  
13 trustees, directors, and employees of consumer-owned electric utilities to participate in the ACRE  
14 and Power PAC programs.

1 **E. SELLOUTS AND TAKEOVERS**

2  
3 WHEREAS, investor-owned utilities (IOUs) continue to threaten to expand their markets by  
4 acquiring consumer-owned utilities, and some IOUs have stated publicly that the acquisition of new  
5 customers through takeovers is an important goal of their corporation; and  
6

7 WHEREAS, it is vital that every effort be made to save threatened local consumer-owned  
8 systems by supporting their directors, managers and employees and by educating citizens on the  
9 benefits of continued consumer ownership;

10  
11 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
12 continues its efforts to assist consumer-owned electric utilities in their efforts to resist takeover  
13 threats by IOUs.

1                   **F. UTILITY CROSSINGS AND RIGHT OF WAYS ON RAILROAD**  
2   **PROPERTY**

3  
4                   WHEREAS, public electric systems have a duty to supply service to consumers, which may  
5 require the crossing or paralleling of railroad property; and

6  
7                   WHEREAS, the railroads have sometimes charged excessive and inconsistent rates for  
8 crossing or paralleling railroad properties; and

9  
10                  WHEREAS, abandoned railroad right of ways may make ideal utility corridors; and

11  
12                  WHEREAS, within the existing regulations, a railroad is under no obligation to provide  
13 public utility access upon abandonment of a railroad right of way;

14  
15                  NOW, THEREFORE, BE IT RESOLVED, that Mid West Electric Consumers Association  
16 urges the railroads to offer a one-time reasonable fee for utility operations crossing or paralleling  
17 railroads; and

18  
19                  BE IT FURTHER RESOLVED, that upon a railroad's intention to abandon a right-of-way  
20 that the railroads give consideration to preserving the right-of-way for other public utilities and uses.

1 **G. NATIVE AMERICAN ACTIVITIES**

2  
3 WHEREAS, the Native American Tribes (Tribes) have been encouraged by Congress to  
4 utilize their "sovereign nations" status (under the Indian Self-Determination Act) to become more  
5 self sufficient; and  
6

7 WHEREAS, some Tribes have, and some are trying to, assume jurisdiction over utilities and  
8 levy exorbitant fees and charges for the use of service territories, right-of-way and crossings; and  
9

10 WHEREAS, Tribes are challenging utility territorial rights and are studying with federally  
11 appropriated funds, the takeover of utility facilities on reservations; and  
12

13 WHEREAS, rural electric and municipal utilities operate on democratic principles for  
14 service at the lowest possible cost, consistent with sound business principles, and with the  
15 cooperatives, rates as approved by the Rural Utilities Service over the past 60 years; and  
16

17 WHEREAS, additional charges, territory or facilities and load taken together all add to the  
18 cost of service and impact the remaining consumers; and  
19

20 WHEREAS, the preference customers of this region should not have to bear the burden of  
21 the tribal claims against the United States government; and  
22

23 WHEREAS, the electric utility infrastructure is already in place on the reservations in the  
24 form of rural electric cooperatives, public power districts, or municipal electric systems; and  
25

26 WHEREAS, splitting or building a new utility system is not a feasible solution nor does it  
27 bode well for the interests of either the Tribes or the utilities; and  
28

29 WHEREAS, the utilities want and are willing to work with the Tribes to maintain a sound  
30 delivery system, which they have done both on and off the reservations; and  
31

32 WHEREAS, the Energy, Planning and Management Program (EPAMP), which extended  
33 contract extensions between Western Area Power Administration (WAPA) and existing preference  
34 customers includes allocations to Tribes in the Pick-Sloan Missouri Basin Program that will depend  
35 on an arrangement between the tribes and preference customers, which will deliver the benefits of  
36 the hydropower to tribal members;  
37

38 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
39 (Mid-West) would support tribal attempts to become more self sufficient through means other than:  
40

- 41 a. imposing charges to access and maintain utility property;
- 42
- 43 b. regulatory actions by Tribal Governments, which negatively impact electric utility  
44 operations;
- 45
- 46 c. taking over electric utility facilities and territory;
- 47
- 48 d. preferential treatment by the federal government in the areas of generation,  
49 transmission, distribution and alternate energy development, which would harm  
50 existing preference customers;
- 51
- 52 e. using Bill Crediting revenues to study, procure, or operate electric facilities presently  
53 serving the tribes; and

1           BE IT FURTHER RESOLVED, that Mid-West work with its members to bring about an  
2 understanding on the part of the Tribes and Congress of the consequences of their continuing to pursue  
3 tribal claims at the expense of Mid-West member utilities and their customers.

## H. RESOLVING TERRITORIAL DISPUTES

1  
2  
3 WHEREAS, rural electric systems and municipal public power systems are dedicated to the  
4 principles of consumer ownership and consumer control while providing efficient, reliable electric  
5 service at the lowest possible cost; and  
6

7 WHEREAS, it is recognized that the natural growth of municipalities served by municipal  
8 public power systems will, from time to time, extend into areas served by rural electric systems,  
9 generally raising the issue of the source of future electric service for those customers in newly  
10 incorporated areas depending on the state laws governing the territorial rights of respective utilities;  
11 and  
12

13 WHEREAS, it is recognized that, without a mutually cooperative and equitable planning and  
14 compensation process, such expansions can lead to economic hardship for rural electric systems  
15 concerning territorial matters; and  
16

17 WHEREAS, in recent years there has been an increase in the number of disputes between  
18 municipal public power and rural electric systems concerning territorial matters; and  
19

20 WHEREAS, over the years since they came into being, rural electric systems and municipal  
21 public power systems have formed a mutually beneficial bond that has resulted in the successful  
22 resolution of many matters, including territorial disputes, that are vital to the continued existence of  
23 each and that can serve as examples to others; and  
24

25 WHEREAS, National Rural Electric Cooperative Association (NRECA) and the Cooperative  
26 Finance Corporation have undertaken a national study of territorial problems; and  
27

28 WHEREAS, territorial disputes that are not dealt with in a fair and cooperative manner on  
29 the local and state levels threaten the strength of the bond between rural electric and municipal  
30 public power systems and, in turn, strengthen the position of investor-owned utilities (IOUs);  
31

32 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
33 (Mid-West) urges NRECA and American Public Power Association to continue to work together to  
34 enhance the bond between rural electric cooperatives and municipal public power systems, a bond  
35 that has deterred countless threats to their progress from federal officials, IOUs and others; and to  
36 disseminate information about the successful resolution of territorial disputes that can serve as  
37 examples; and  
38

39 BE IT FURTHER RESOLVED, that Mid-West encourages individual municipal, public  
40 power and rural electric cooperative systems to work together toward fair and equitable solutions of  
41 territorial matters affecting them.

## I. MISO MEMBERSHIP

1  
2  
3 WHEREAS, the Midwest Independent System Operator (MISO) is the nation's first FERC-  
4 approved Regional Transmission Organization; and  
5

6 WHEREAS, the MISO's area of operation is adjacent to and overlaps a portion of the service  
7 territories of the Mid-West Electric Consumer Association's (Mid-West) membership; and  
8

9 WHEREAS, the MISO has developed an energy market tariff which became functional on  
10 April 1, 2005, and MISO has expectations to expand its responsibilities and services; and  
11

12 WHEREAS, Mid-West is concerned with the impacts that the operation of MISO will have  
13 on its member systems in the Upper Midwest; and  
14

15 WHEREAS, MISO's by-laws provide for two classifications of membership "Transmission  
16 Owing Members" and "Non-Transmission Owing Members;" and  
17

18 WHEREAS, this "Non-Transmission Owing Membership" is open to utilities, power  
19 marketers, and others, even if they own transmission systems; and  
20

21 WHEREAS, the "Non-Transmission Owing Membership" level does not give MISO control  
22 of a member's transmission facilities and does not provide MISO with more control over its  
23 member's generating facilities than it now has; and  
24

25 WHEREAS, as a "Non-Transmission Owing Member" the member will have the ability to  
26 participate in MISO meetings and governance, pursuant to the by-laws of MISO; and  
27

28 WHEREAS, public power consumers in the region desire to influence and further investigate  
29 MISO's energy market tariff and its effect on the region;  
30

31 NOW, THEREFORE, BE IT RESOLVED, that Mid-West encourages its member systems to  
32 consider joining MISO as "Non-Transmission Owing Members."

## **VII. WATER POLICY RESOLUTIONS**





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- i. Recognizes that with a finite amount of potable water available and an expanding population, one of the major problems facing the country in the future will be an adequate supply of good quality water, including domestic water needs of rural and small town America and that new rural and small town domestic water systems should be given equal priority with other federal resource development programs in federal authorization and funding;
- j. Provides safeguards against the use of Section 404 of the Clean Water Act to stifle legitimate and badly needed water resource development;
- k. Adheres to the principle that power additions at federal hydro projects, where not fully federally financed, be made only with the full approval of the Power Marketing Administration (PMA) involved, after consultation with the affected customers; be on an up-front cash payment basis based on a cost benefit analysis and regional preference customers' needs; and have the added power commingled and marketed by that PMA to preference customers;
- l. Recognizes that federally developed water resource development projects are enhanced by significant non-federal investment, all for the benefit of the projects' beneficiaries and the financial stability of the project. A principal example of this mutually beneficial investment is demonstrated by the substantial investment made by preference customers in the Pick-Sloan Program in complementing thermal transmission facilities, which enhance the overall benefits of the federal investment;
- m. Provides repayment of federal investments by project beneficiaries on a scheduled and equitable basis;
- n. Recognizes that existing thermal-fired power production units, which utilize once-through cooling, have a relatively small impact on water quality and must be allowed to continue to operate without costly modifications;
- o. Recognizes that the Surface Mining Act of 1977 contains adequate and detailed safeguards for mining that affects groundwater sources and refrains from duplicative regulatory provisions.



1  
2  
3 **C. MISSOURI RIVER STABILIZATION**

4 WHEREAS, the protection and stabilization of the banks and channel of the upper Missouri  
5 River and its tributaries are of vital importance to maximize the life of the reservoirs; and

6 WHEREAS, riverside development often ignores historic flood plain information; and

7  
8 WHEREAS, the continuing buildup of deltas and subsurface sediment such as at Bismarck,  
9 North Dakota, and Pierre, South Dakota, not only creates very serious local problems such as ice  
10 jams and high water tables, but also has led to curtailed power production to prevent flooding of  
11 certain areas; and

12  
13 WHEREAS, protection of the banks and maintenance of a free-flowing channel on the  
14 Missouri River and its tributaries as a federal project purpose under the Pick-Sloan plan, including  
15 construction, operation, and maintenance of works by the U.S. Army Corps of Engineers (COE), is a  
16 federal responsibility and the costs for which should be equitably shared by all beneficiaries; and

17  
18 WHEREAS, the COE has decided to use funds to be intended for riverbank protection to  
19 purchase rights-of-way along those banks in order to avoid having to undertake riverbank  
20 stabilization: and

21  
22 WHEREAS, severe siltation of the Missouri River immediately downstream of the Bad River  
23 in South Dakota has resulted in periodic curtailment of generation prompting higher costs for power  
24 users and introducing the potential for electric system reliability problems; and

25  
26 WHEREAS, generation constraints at Oahe power plant have been as much as 400,000  
27 kilowatts in the past, and threaten to be more frequent and long-lasting as sediment continues to  
28 build up in the river bottom; and

29  
30 WHEREAS, Congress included language and authorized an appropriation in the 1999  
31 Continuing Budget Resolution to provide for the acquisition of lands below Oahe Dam being flooded  
32 as a result of unexpected levels of siltation in Lake Sharpe;

33  
34 NOW, THEREFORE, BE IT RESOLVED, Mid-West Electric Consumers Association  
35 (Mid-West) urges Congress and COE to budget and appropriate sufficient funds to control bank  
36 erosion and attendant siltation, thereby completing and maintaining this vital part of the Pick-Sloan  
37 plan, to prevent interruptions of project operations, reduction in power generation and future land  
38 losses; and

39  
40 BE IT FURTHER RESOLVED, Mid-West urges COE to develop a comprehensive plan to  
41 use appropriated funds to protect and stabilize the Missouri River banks, acquire land, dredge river  
42 bottoms, or restrict sediment buildup, as appropriate, in consultation with affected user groups; and

43  
44 BE IT FURTHER RESOLVED, Mid-West encourages COE to be more assertive in terms of  
45 discouraging development on historic flood plains; and

46  
47 BE IT FURTHER RESOLVED, Mid-West also calls on COE to allocate the costs of  
48 riverbank and channel protection and cost of addressing siltation problems appropriately to all  
49 project purposes for the Pick-Sloan multipurpose projects.

## D. PICK-SLOAN ULTIMATE DEVELOPMENT

1  
2  
3 WHEREAS, the Pick-Sloan Missouri Basin Program (Pick-Sloan), originally authorized in  
4 the 1944 Flood Control Act, defines the framework of a compromise to achieve, through the  
5 "ultimate development" concept, the much needed dual purposes of downstream flood control and  
6 improved upstream economic conditions by the construction of six main stem Missouri River dams  
7 and the development of major federal irrigation projects under cost recovery and repayment  
8 requirements established by Senate Report 470 and House Report 282, 89th Congress, 1st Session;  
9 and

10  
11 WHEREAS, past Administrations pushed for enactment of so-called "power repayment  
12 reform" that would, if enacted, require substantial increases in Power Marketing Administration  
13 (PMA) power rates, which would in reality amount to a new federal sales tax applicable only to  
14 PMA customers, which would, as estimated by the U.S. Department of Energy, cost PMA customers  
15 an additional \$399 million the first year and over a five-year period almost \$2.2 billion in  
16 unnecessary increases in PMA power rates; and

17  
18 WHEREAS, all regional and national preference customer organizations, Mid-West Electric  
19 Consumers Association (Mid-West) included, oppose the past Administrations' "power repayment  
20 reform" proposals no matter how repackaged; and

21  
22 WHEREAS, the flood control functions of the Pick-Sloan Plan have averted well over \$30.4  
23 billion in downstream damages and immeasurable human tragedy as a result of the construction of  
24 the six main stem dams on the Missouri River in Montana, North Dakota and South Dakota; and

25  
26 WHEREAS, notwithstanding the past Administrations' failure since enactment of the  
27 Garrison Reformulation Act in 1986 to obtain congressional approval for its "power repayment  
28 reform" proposals, appeals continue to be voiced from elements within Congress, the Administration  
29 and in various regions of the country for drastic and many times single-purpose changes to  
30 fundamental principles of federal resource developments such as Pick-Sloan; and

31  
32 WHEREAS, only a small portion of the extensive promised economic development  
33 envisioned by Pick-Sloan defined as federal irrigation, has occurred, resulting in a substantial  
34 unfulfilled commitment needed for such economic development that was part of Pick-Sloan  
35 development benefiting the Upper Basin states; and

36  
37 WHEREAS, all Pick-Sloan states have benefited from and continue to rely upon cost-based  
38 rate principles governing the marketing of hydropower from Pick-Sloan according to federal  
39 preference laws; and

40  
41 WHEREAS, the preference customers of the Pick-Sloan Missouri Basin Program have been  
42 and remain committed to the basic principles of ultimate development, which include: i) future  
43 federal investment to improve the economic conditions in the Upper Great Plains; ii) marketing of  
44 hydroelectric generating resources according to preference at cost-based rates; and; iii) repaying  
45 with interest the investment in the power features of Pick-Sloan and meeting other repayment  
46 obligations as required by Pick-Sloan; and

47  
48 WHEREAS, the Pick-Sloan cost allocations designate approximately \$492 million of the  
49 Pick-Sloan investment as non-reimbursable due to flood control and navigation and approximately  
50 \$237 million as non-reimbursable to meet other purposes; and

51  
52 WHEREAS, preference customers have repaid on time and with interest \$1.2 billion (through  
53 FY 2008 ) of the \$2.7 billion investment allocated to the power features in the Pick-Sloan; and

1           WHEREAS, the preference customers have repaid millions of dollars invested in  
2 replacements to the power features and will repay future replacements with interest as each  
3 replacement is projected in the power repayment study; and  
4

5           WHEREAS, the preference customers under the current power repayment studies and rate  
6 designs will also repay within the allowable time limit an additional \$728 million of existing  
7 irrigation investment, which is beyond the irrigators' ability to repay; and  
8

9           WHEREAS, the continuing commitment to the framework of Pick-Sloan is based on regional  
10 benefits for the system's multiple users all sharing in the overall project benefits; and  
11

12           WHEREAS, contemporary regional and national priorities have caused interests of many  
13 kinds to seek reassessment of the operation of multipurpose regional power systems, including the  
14 Pick-Sloan Missouri Basin Program;  
15

16           NOW, THEREFORE, BE IT RESOLVED, that Mid-West reaffirms its commitment to the  
17 regional benefits and cost-sharing of the "ultimate development" concept defined by Pick-Sloan  
18 including cost-based hydroelectric rates, and federal control, ownership and marketing of  
19 hydroelectricity according to preference laws; and  
20

21           BE IT FURTHER RESOLVED, that Mid-West opposes any proposal to "cherry pick" repayment  
22 of the Pick-Sloan investment through reallocation of irrigation costs to power customers and insists that  
23 Congress continue to honor the "ultimate development" concept cost allocations by resisting all suggestions  
24 that portions of the federal investment be repaid before they are scheduled; and  
25

26           BE IT FURTHER RESOLVED, that Mid-West, as part of its commitment to the "ultimate  
27 development" concept of Pick- Sloan:  
28

- 29           a.       Supports consideration within the "ultimate development" concept of the  
30                   availability for rural water supply pumping, under principles like those set forth in  
31                   Section 1907 of PL-102-575, of a portion of the output from Pick-Sloan power  
32                   features originally reserved for seasonal irrigation pumping, which may stimulate,  
33                   along with future irrigation development, economic development in the region; and  
34
- 35           b.       Supports definition in law of the responsibilities of new project beneficiaries such  
36                   as recreation, endangered species and other interests, subject to the requirement that  
37                   prior contractual commitments to the power users be honored.  
38

1 **E. WATER RELEASES AT FEDERAL RESERVOIRS**

2  
3 WHEREAS, the U. S. Bureau of Reclamation (USBR) and the U.S. Army Corps of Engineers  
4 (COE) are required by Section 7 of the Endangered Species Act to consult with the U.S. Fish and  
5 Wildlife Service when operation of federal dams and reservoirs may adversely affect threatened or  
6 endangered species; and

7  
8 WHEREAS, these consultations can and have resulted in changes to water release schedules  
9 at federal dams, including altered water releases at Fort Randall Dam to accommodate endangered  
10 shore birds and the recommendation of the 1992 Biological Opinion on the Operation of Flaming  
11 Gorge Dam to alter water releases to reflect natural flows; and

12  
13 WHEREAS, changes in water releases at federal reservoirs can and have adversely affected  
14 current direct beneficiaries of these reservoirs; as well as the communities and businesses that have  
15 developed as a consequence of the construction and operations of the federal dams and reservoirs;  
16 and

17  
18 WHEREAS, adverse releases also create severe financial hardships for these communities  
19 and businesses, including member-owners whose businesses lie within the Colorado and Missouri  
20 River Basins and whose existence depends on the consistent release schedules at federal dams and  
21 reservoirs; and

22  
23 WHEREAS, administratively-ordered changes in water releases can alter the priorities of  
24 water use from those articulated in the original authorizing statutes; can supersede and conflict with  
25 state water regulations and allocations processes; can severely disrupt electric power generations and  
26 distribution networks; can reduce the value of water used by existing beneficiaries without  
27 corresponding cost reductions; and can lead to unbalanced water releases that conflict with the  
28 public interest;

29  
30 NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
31 (Mid-West) urges the USBR, the COE and other appropriate federal agencies to fully comply with  
32 the relevant authorizing statutes and other applicable systems including, contractual commitments,  
33 federal regulations, interstate compacts and decrees, state water laws; and

34  
35 BE IT FURTHER RESOLVED, that Mid-West urges the USBR and the COE, before making  
36 water management decisions, to consider the adverse affect changes in water releases could have on  
37 one or more beneficiaries, including power customers, to ensure that water releases are fair and  
38 equitable for all users of the system.

1 **F. OPPOSITION TO DAM REMOVAL OR BREACHING**

2  
3 WHEREAS, the removal of federal multi-purpose dams or other navigational and  
4 impoundment facilities is not a silver bullet that would boost native fish populations or solve  
5 alleged environmental ills; and

6  
7 WHEREAS, this short-sighted policy would create potentially disastrous economic impacts,  
8 and new environmental issues; and

9  
10 WHEREAS, in addition to depriving the nation of clean, renewable hydropower generated by  
11 multi-purpose dams, the breaching of multi-purpose dams would wreak havoc on commerce  
12 dependent on barges and other waterway navigation, threaten the potable water supplies of hundreds  
13 of towns and cities, unravel decades of wildlife mitigation efforts, and with regard to farmland  
14 irrigation, render large sections of the country dependent upon these impoundments barren and  
15 unproductive; and

16  
17 WHEREAS, the breadth and scope of the economic and social impacts are staggering  
18 because, at a time when the nation's electric utility industry is undergoing massive changes and  
19 concerns about reliability are paramount, breaching not only endangers the reliability of the power  
20 supply but could add millions of dollars to a region's power bills; and

21  
22 WHEREAS, removing clean, renewable hydroelectric power from the nation's inventory of  
23 electric power resources, especially at a time when the demand for high-quality electricity is rising  
24 precipitously, would require the replacement of that electricity with less environmentally friendly  
25 combustion generation;

26  
27 NOW, THEREFORE, BE IT RESOLVED, that the Mid-West Electric Consumers  
28 Association urges Congress to reject proposals to remove or breach federally-owned dams; and

29  
30 BE IT FURTHER RESOLVED, that federal power customers throughout the nation should  
31 examine their dependence—and the dependence of their communities and consumers—on federal  
32 multi-purpose and other facilities and tally the adverse economic impact that would result from the  
33 breaching or removal of dams so this information could be communicated to community leaders,  
34 state legislators, members of Congress and other opinion leaders; and

35  
36 BE IT FURTHER RESOLVED, that federal power customers should identify community,  
37 state and national organizations for whom dam removal would be equally devastating and enlist their  
38 collaboration in advocating opposition to short-sighted proposals to destroy incredibly valuable  
39 national resources.

## **VIII. COMMENDATIONS/CONDOLENCES RESOLUTIONS**



1           **A. COMMENDATION TO FEDERAL POWER PROGRAM AGENCIES**  
2

3           WHEREAS, the Western Area Power Administration (Western), U.S. Bureau of Reclamation  
4 (Bureau), and the U.S. Army Corps of Engineers (COE), have given attention to the needs of the  
5 preference customers while at the same time demonstrating a superior stewardship of vital Federal  
6 resources in the interest of the general public; and  
7

8           WHEREAS, these federal power agencies (Western , the Bureau, and the COE) and the rural  
9 electric systems, public power districts and municipal electric systems they serve have, worked  
10 together in a cooperative and beneficial manner; and  
11

12           WHEREAS, this cooperative atmosphere has resulted in a progressive effort in joint  
13 planning of present and future transmission needs throughout the service area; and  
14

15           WHEREAS, through the public process and in full communication and participation with its  
16 customers, these federal power agencies uphold the intent of the Congress and discharges its  
17 responsibilities in a highly commendable manner; and  
18

19           WHEREAS, these elements of cooperation, open working relationships and responsible  
20 stewardship have been demonstrated in the process of establishing new rates and of allocating and  
21 protecting the preference of Federal power for the preference customers;  
22

23           NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
24 supports Western, the Bureau, and the COE as effective and viable partners in the federal power  
25 program, and commends the agencies, for their leadership and their employees for the  
26 straightforward, efficient and business-like manner which has characterized the actions of Western,  
27 the Bureau, and the COE.

1 **B. MEMORIAL RESOLUTION**

2  
3 WHEREAS, the public power and rural electric programs have developed because of the  
4 strength and conviction of people determined to do for themselves that which otherwise would not  
5 have been done in a timely and economic manner; and

6  
7 WHEREAS, the public power and rural electric programs not only supply electric power and  
8 energy to their consumer-owners but also aim to protect human values and the public interest; and

9  
10 WHEREAS, the Mid-West Electric Consumers Association (Mid-West) has been the  
11 recipient of the services and wisdom of many such individuals over the years; and

12  
13 WHEREAS, during this past year several of these stalwart leaders have passed from our  
14 midst;

15  
16 NOW, THEREFORE, BE IT RESOLVED, that the members of Mid-West express their  
17 condolences to the families of these individuals and signal the warmth and affection of those  
18 remaining by standing in a moment of silent prayer in the memory of our departed.

1 **C. COMMENDATION TO RETIRED DIRECTORS AND EMPLOYEES OF**  
2 **MID-WEST MEMBERS**  
3

4 WHEREAS, since 1958 the major strength of Mid-West Electric Consumers Association  
5 (Mid-West) has been the many faithful, dedicated and hard-working, directors and employees of  
6 municipally-owned electric utility systems, public power districts, and rural electric cooperatives  
7 which support Mid-West; and  
8

9 WHEREAS, long hours and dedication of these directors and employees have contributed  
10 greatly to the success of Mid-West; and  
11

12 WHEREAS, the members of Mid-West recognize that many directors and employees who  
13 heretofore have given unstintingly of their strengths and talents to Mid-West have now retired from  
14 active service to pursue the joys of retirement;  
15

16 NOW, THEREFORE, BE IT RESOLVED, that Mid-West hereby pays special tribute to and  
17 offers its sincerest thank you to the directors and employees of Mid-West member systems who have  
18 retired during this year.

1 **D. COMMENDATION TO MID-WEST STAFF**

2  
3 WHEREAS, Mid-West Electric Consumers Association (Mid-West) staff has been steadfast  
4 and faithful in serving Mid-West, its members, its policies and its objectives; and

5  
6 WHEREAS, their efforts have always exemplified the highest measure of dedication, care,  
7 and concern for all people; and

8  
9 WHEREAS, these efforts have often required personal sacrifice while contributing to a better  
10 way of life for electric consumers in the Missouri River Basin; and

11  
12 WHEREAS, the challenges to Mid-West continue to require the full and complete attention  
13 of the staff often above expectations;

14  
15 NOW, THEREFORE, BE IT RESOLVED, that Mid-West hereby commends its staff and  
16 extends heartfelt thanks to them for their inspiration, farsighted leadership and courage.

1                   **E. COMMENDATION OF PICK-SLOAN CONGRESSIONAL**  
2                   **DELEGATIONS**

3  
4                   WHEREAS, Congress periodically debates the sale of the assets of the federal power system,  
5 including the power marketing administrations, threatened the power supply and stability of  
6 preference customers across the country; and  
7

8                   WHEREAS, the members of the Pick-Sloan congressional delegation have always  
9 immediately perceived the serious nature of the threat and its potential impact on the rural  
10 communities in the Missouri River Basin; and  
11

12                   WHEREAS, the Pick-Sloan congressional delegation has repeatedly mounted a strong  
13 defense of the federal power program and opposed any sale of the Power Marketing Administrations  
14 (PMAs) or diminution of preference customers rights; and  
15

16                   WHEREAS, the Pick-Sloan delegation has led the charge to defend the federal power  
17 program and have been the backbone of opposition to the sale of the PMAs;  
18

19                   NOW, THEREFORE, BE IT RESOLVED, that Mid-West Electric Consumers Association  
20 expresses its deep gratitude and thanks to the Pick-Sloan congressional delegation for their  
21 continued stalwart defense of the federal power program and their understanding of the important  
22 role Pick-Sloan power plays in the economic well-being of the region.

